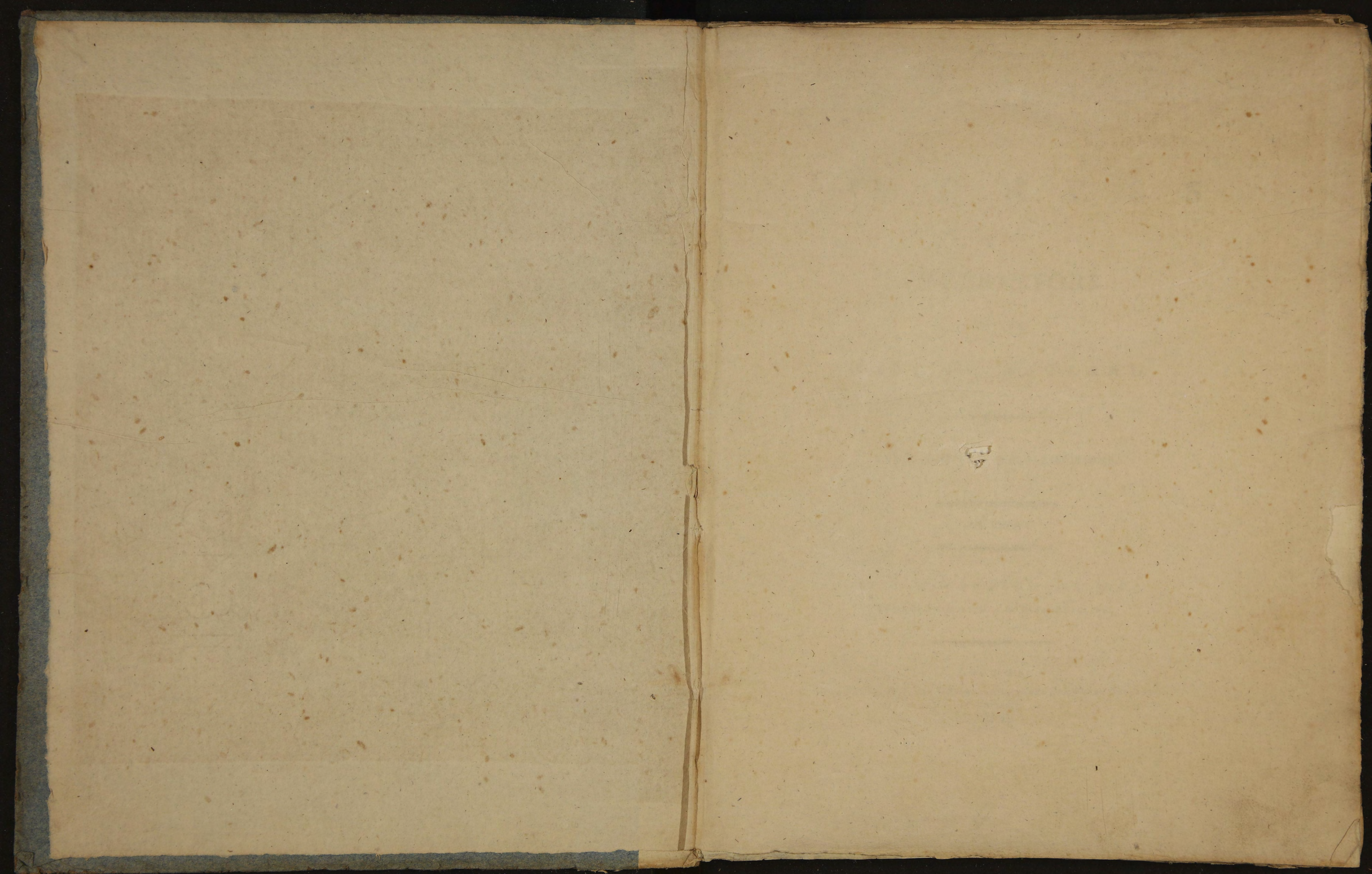


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A D D R E S S

TO THE

PROPRIETORS

OF THE

BANK OF ENGLAND.

THIRD EDITION, WITH ADDITIONS.

SUUM CUIQUE.

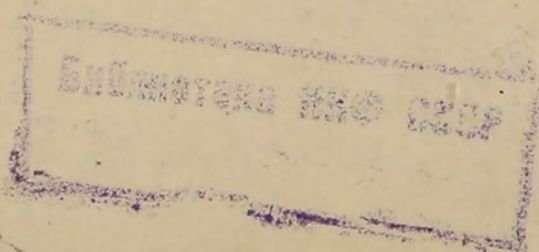
By A. ALLARDYCE, Esq. M. P.

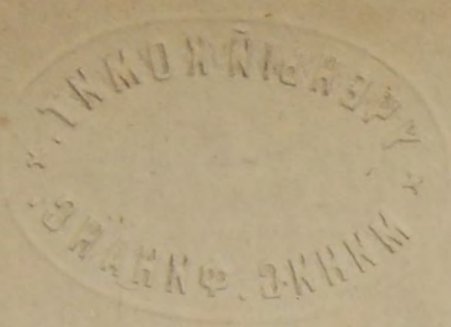
One of the PROPRIETORS of the BANK of ENGLAND.

LONDON:

PRINTED FOR W. J. AND J. RICHARDSON, UNDER THE ROYAL EXCHANGE.

1798.





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A D D R E S S

TO THE

PROPRIETORS

OF THE

BANK OF ENGLAND

THIRD EDITION 67823

STUM CUNY

By A. ALLARDYCE, Esq. M.P.

One of the Proprietors of the Bank of England.

LONDON:

Printed for W. J. and J. Richardson, under the Royal Exchange.

1798.

TO THE
PROPRIETORS
OF THE
BANK OF ENGLAND.

ST. JAMES'S STREET, DEC. 11, 1797.

HAVING given notice, at your last general court, that, at your next general court,* I should move, "That there be laid before the court an account of the charge of managing the business of the Governor and Company of the Bank of England; an account of the expense of building; and an account of all other expenses, incurred by the Governors and Company, from the 10th of October, 1787, to the 10th of October, 1797; distinguishing the different years, and the particulars, under their respective heads:"

And that, at the next general court, ordained to be held for considering the general state and condition of the Corporation,† and for making dividends of all

* This court is to be held on Thursday next, the 14th instant, at which this motion will be made.

† This court is usually held about the end of March: my affairs will necessarily require my presence in a distant part of the kingdom at that time. But of this I was not certain at the time I gave the notice. It is not a matter of business, but a matter of duty, that demands my presence, in March next, in a part of the kingdom very remote from Threadneedle-street. I certainly should have waved any personal inconvenience for what I consider to be of general importance. I allow that there is something selfish in the measures I am pursuing. I have asked for no support: upon their own merits they must stand or fall. I thought it my duty and my interest to bring them forward; and, when duty and interest coincide, they make excellent travelling-companions.

and singular the produce and profits of the capital stock of the Corporation and the trade thereof, I should move, “ That there should be laid before the court an
 “ account of the general state and condition of the Corporation, for the purpose
 “ of taking the same into consideration; with an account of the income and
 “ expenditure for the half-year, immediately preceding the day of holding the
 “ said court. And that a dividend of *all* the profits, benefits, and advantages,
 “ arising out of the management of the said Corporation, for the said half-year,
 “ (the charges of managing the business of the said Governor and Company *only*
 “ excepted,) shall be made to and for the use of all the Members of the said Cor-
 “ poration, for the time being, rateably and in proportion to each Member’s
 “ share and interest in the common and principal stock of the Governor and
 “ Company of the Bank of England, as required by the statute of the 7th year of
 “ Queen Anne, chap. vii.”*

I think it necessary to say, that my motive, for moving for these accounts, is, that we may have a more intimate knowledge of our own affairs, to enable us to form a judgement upon them, that we may control them if we think proper.

My motives, for taking the liberty of addressing you, are, that the promised motions, and my reasons for bringing them forward, may be publicly known to you.

I therefore beg leave to observe, that having, some years ago, invested a considerable part of a moderate fortune in the stock of the Bank of England, and thus becoming interested in the concerns of the Bank, I became desirous to know the nature and constitution of the Bank, its management, the conduct of its Managers, and the state of its affairs.

As to its nature and constitution, they were to be learned from the Charter, the Bye-laws, and the Acts of Parliament, which had been passed, from time to time, relative to the Bank. The management, I found, was entrusted to a Governor, Deputy-Governor, and twenty-four Directors, who were elected, yearly, by the Proprietors, at one of their general courts. As to the conduct of the Managers, there were various and contradictory opinions: — some were of opinion, that it was not only irreproachable, but meritorious; while others asserted, that it was

* See Act 8th Will. III. chap. 20, at the end of this Address.

Act 7th Queen Anne, chap. 7, at the end of this Address.

Bye-law XII. at the end of this Address.

guided by narrow-minded and illiberal principles, shackled by systems, and biased by prejudices.

As to the state of the affairs of the Bank, it was a perfect mystery, said to be known only to the court of Directors. Every body said, that the Bank must be possessed of an immense hoard of wealth, which was continually increasing; but, when asked for what this hoard and its accumulations were intended, nobody could tell but the Directors, and they were not accustomed to answer questions of that nature. Nothing could be collected, with regard to the affairs of the Bank, but that they were governed by two systems, — the system of hoarding, and the system of mystery and concealment. It seemed very strange, however, that, while this hoard of wealth, the property of the partners of the Company, was increasing by continued accumulations, the value of their stock, or marketable property, was continually decreasing and melting away, like wax before the fire.

The price of Bank-Stock, on the 14th of February, 1792, was 220 per cent. It is now below 120; yet, the profits of the Bank, during the intermediate time, must have been greater, if the affairs of the Bank have been properly managed, than in any other period of the same duration since the establishment of the Bank.

Since the year 1792, the exports and imports,* the agriculture and manufactures, of the country have been progressively increasing; the price of saleable and consumable commodities has been nearly doubled; the price of labour, the expense of living, and the public revenue,† have been greatly increased. All these circumstances required a great augmentation of the circulating medium, — money or Bank-notes; and tended to magnify the profits of the Bank, by promoting a more extensive circulation of their notes, and producing a larger value of discountable bills; and discount, a very lucrative, and which ought to be the principal, branch of their business, they have had to an extent even beyond what they could desire or accomplish, as they were obliged to reject many good and

* See Table of Exports, &c. Appendix, page 64.

† Account of Net Produce of the Taxes, page 65.

*bona fide** bills; at the same time, Government floating-securities, such as Navy, Victualling, and Exchequer, bills, were at an unexampled discount, and yielded the most exorbitant profit.

At this time, when the Company were getting rich by accumulating profits, the partners were getting poor by a rapid fall in the value of their stock; circumstances inconsistent with one another. The merchants and manufacturers were cramped in their operations by the Bank having narrowed their discounts, for which no rational cause could be assigned. Some thought, that the Directors, scrupulously governed by their oaths to promote the good of the Company, "by all lawful ways and means," finding that the purchasing Navy and Victualling bills (of which there was at one time about the value of twelve millions in the market) yielded a profit of from ten to twenty per cent. per annum, while the discounting of bills to the merchants and manufacturers only produced five per cent. had employed their funds in the purchase of the former, and had therefore been obliged to contract their discounts on the latter.

But it was soon discovered, that they had employed their funds in a way not so beneficial to the interests of the country as in the discounting of mercantile

* I must distinguish between *good* bills and *good* and *bona fide* bills: — Robert, a safe man, gives to Richard, a safe man, his acceptance at sixty day's date for £1000, and receives Richard's acceptance in exchange for an equal sum. These bills they mean to get discounted at the Bank at the rate of five per cent. per annum, with a view to purchase Navy-Bills, which produce a profit of ten per cent. per annum: these bills are good, and would be paid when they became due, but they ought to be rejected at the Bank.

John, a manufacturer, sells to Peter, a merchant, goods to the amount of £2000, for which he takes his acceptance payable at sixty days. This I call a *good* and *bona fide* bill, for which a valuable consideration has been given. Bills of this description the Bank ought to discount to any amount.

If the goods are exported, they help to turn the balance of trade into our favour, and that must be paid by gold and silver imported.

George, a West-India merchant, sells to Gilbert, a sugar-baker, a hundred hogsheads of raw sugar. Gilbert, the sugar-baker, sells a hundred casks of refined sugar to Gabriel, a grocer. For the transfer of these goods, acceptances are given and taken. These acceptances represent property, and ought to be discounted by the Bank, to enable the parties to carry on similar operations, which conduce to the wealth of the State, to the emolument of individuals, of which the State is composed, and of the Bank of England, which is no small member of the State.

The Bank of England know very well how to distinguish between what I call *good* and *bona fide* bills and these of other descriptions.

bills

bills of exchange, nor so advantageous to their own as in the purchasing Navy and Victualling bills, but in a way which has brought the Bank of England, till of late the pride and glory of Englishmen, into the humbled situation in which it now stands.

A minute of the Privy-Council was issued on Sunday, the 26th of February, 1797, directing the Bank to suspend payments in specie.* This, on all hands, was admitted to be an illegal order, and the Bank might have refused obedience to it if they had thought proper. But it is presumed there was a necessity for the order, and also a necessity for the Bank's complying with it. They acquiesced, and suspended payments in specie on Monday, the 27th.

The Houses of Lords and Commons appointed Committees of their respective members to examine and state the total amount of outstanding debts on the Bank of England, and likewise of the funds for discharging the same, and to report the result thereof, and to inquire into the causes which produced the Order of Council of the 26th of February, 1797. Both the Committees have made their reports, which are voluminous. They have been printed for the use of the members of both Houses: that of the House of Lords is the most comprehensive, both in the examination of evidence, and in the papers and accounts annexed to it by way of Appendix. It is a pity it is not to be purchased, it ought to be in the hands of every Bank-Proprietor.

By it, it appears that the court of Directors, between the 14th of January, 1795, and the 24th of February, 1797, had made thirty-six representations† to the Chancellor of the Exchequer, stating the inconvenience which the Bank suffered, and the evil consequences which were likely to ensue, from the large advances to Government, particularly on Treasury-bills of exchange: yet, they went on, continuing to make these advances,‡ when they might have stopped when-

* See Appendix, page 1.

† See Appendix, pages 18 to 48.

‡ “ With one auspicious, and one dropping eye;
“ With mirth in fun’ral, and with dirge in marriage,
“ Weighing in equal scale delight and dole.”

ever they had a mind;* and the weekly re-payments made upon what had been advanced on the Land and Malt taxes, being the principal part of the whole, would have soon reduced the debt within a moderate compass.

It appears, that, notwithstanding the court of Directors represented to the Chancellor of the Exchequer, on the 28th of July, 1796, that the advances on Treasury-bills of exchange were, as they conceived, “ an unconstitutional mode† of raising money, what they were not warranted by their charter to consent to, “ and an advance always extremely inconvenient to themselves :”

Yet, from the 1st of January, 1795, to the 28th of July, 1796, the day they made the representation, they advanced on Treasury-bills of exchange - - - - - 10,338,000

And, from the 28th of July, 1796, to the 25th of February, 1797, they did afterwards advance - - - - - 2,700,000

In all, since the 1st of January, 1795 - - - - - £13,038,000

Of which there remained unpaid on the 25th of February, 1797 - - - - - 1,512,274

It appears, from the examination of the late Governor of the Bank, of which the following is an extract, that he was of opinion, that the large advances to

* LORDS' COMMITTEE.

Die Veneris, Martii 24, 1797.

Mr. GILES examined.

Q. “ Do you conceive that every exertion has been made by the Bank to obtain re-payment of “ the advances made to Government since the 1st of January, 1795 ?

A. “ Yes, *save that of lending more.*”

† The purchase of Navy-bills, payable in a limited time, and yielding a profit of upwards of ten per cent. per annum, was lawful ; advances on Treasury-bills of exchange, payable in no limited time, and bearing only five per cent. interest, were, in the opinion of the court of Directors, unlawful.* Yet they gave the preference to the latter, and advanced their money upon them.

* There they were in a mistake. See Extract from 33d George III. chap. 32, sect. 6. Appendix, pages 126 and 127.

Government were the cause which produced the necessity for the Order of Council of the 26th of February, 1797.

“ Lunæ, 6 Die Martii, 1797.

“ DANIEL GILES, Esq. Governor of the Bank, and

“ SAMUEL BOSANQUET, one of the Directors,

“ CALLED IN.

“ Mr. GILES examined.

Q. “ Did you make any representations to the Chancellor of the Exchequer on the subject of the advances made to Government ?

A. “ Yes, very often.

Q. “ Are you of opinion, that the re-payment of these advances would have “ materially contributed to prevent the necessity of the measure adopted by “ the Privy-Council, on Sunday, the 26th of February ?

A. “ Had the Government re-paid us the advances which they owed, I believe “ we should have been in a state of security, and what has happened would not “ have happened.”

The Court of Directors often resolved to restrict their advances to Government,* and several times intimated their resolutions to the Chancellor of the Exchequer ; but they went on advancing to the end of the chapter.

Resolutions ought not to be adopted hastily ; they ought to be well weighed and considered ; but, when once taken, they ought to be adhered to with inflexible firmness.

I shall not *at present* farther enlarge on the suspension of payment, on the causes which occasioned it, or on the means which might have prevented it.

It may be now proper to inquire, if these systems, by which it was said the court of Directors were governed, originated in the constitution of the Bank.

* See Extracts from thirty-six communications between the Directors of the Bank and the Chancellor of the Exchequer. Appendix, pages 18 to 48.

The constitution of the Bank, like every other human institution, must be imperfect; but these systems cannot be said to derive their origin from it.

It enjoins no system of hoarding,* but expressly directs, that *all* the profits shall be from time to time divided among the partners.

It enjoins no system of mystery, but expressly directs, that there shall be at least four quarterly general courts held every year, for keeping up an intercourse between the representative and his constituent, between the court of Directors and the court of Proprietors; and that two of these courts should be held for the express purpose of considering of the state and condition of the Corporation, (which implies, that the court of Proprietors should have an account of the state and condition of the Company before them,) and for making dividends of all and singular the profit of the capital stock of the Corporation and the trade thereof.

All that generally passes at the court, ordained to be held for considering the state and condition of the Corporation, and for declaring of dividends, is, that the Governor says, "Gentlemen of the court of Proprietors, the court of Directors are of opinion, that the dividend for the last half-year should be at the rate of seven per cent. per annum. As many as are of that opinion hold up your hands: as many as are of the contrary opinion hold up yours." Some good-natured Proprietor moves the thanks of the court to the court of Directors for their kind communication, which is seconded by another good-natured Proprietor. The court breaks up, and the Directors retire to their parlour, and the Proprietors to their respective vocations.

It may be said, that this hoard, or surplus, of profits, at the expiration of the charter, at the liquidation of the Company's affairs, will, with the capital of £11,642,400, be divided amongst the partners, according to their respective shares.

The present charter does not expire till the year 1812, to which it is a long while to look forward. Many of the Proprietors of the present day will not be

* A certain part only, instead of the whole, of the net profits, is half-yearly divided amongst the Proprietors; and the rest, probably half as much more, is carried forward, (*cui bono?*) not to increase the capital of the partners of the Company for the time being, but to a certain hoard, dividable at no definite time, and of which the present partners are never likely to participate.

Proprietors then. Besides, it has been usual, some years before the expiration of the charter, to apply for a renewal, which Government have hitherto granted, so that this hoard of accumulated profits may go on *ad infinitum*.*

In all commercial concerns, there is a risk of loss as well as a chance of gain. From this risk the Bank is not exempted. There is a risk of loss from rebellions, as in 1715 and 1745; from mobs, as in Lord George Gordon's; from bankruptcies; and many unforeseen accidents.

Let it be granted, for the sake of argument, that, by one or other of these causes, a considerable loss should happen to the Bank, the whole of it would fall upon the Proprietors for the time being, in proportion to their share of stock, even to the annihilation of the whole, if the loss should amount to so much.

It is, therefore, reasonable and just that the Proprietors, for the time being, should receive their share of the whole profit.

It is from these considerations that I have given notice that, at the general court to be held for declaring a dividend, I should move to have an account of the profit and expenditure of the preceding half-year laid before the court; and that a dividend of the net profit should be made amongst the partners to their full extent, not descending to a fraction of less than one-fourth per cent. If any such there be, it may go over to and make part of the dividend of the next half-year.

Any person, since the publication of the reports of the Committees of Secrecy of the Houses of Lords and Commons, may conjecture,† and may shrewdly guess, but none but the Directors, and some of their accountants, certainly know, the real state and circumstances of the Company. It is necessary that a

* By the Act of 1694, the Bank was to continue a Corporation till after the redemption of the debt due from Government, and till after twelve months notice after the first of August, 1705.

By Act of 1697, the term was prolonged to Aug. 1, 1710.

1708 - - - - - Aug. 1, 1732.

1713 - - - - - Aug. 1, 1742.

1742 - - - - - Aug. 1, 1764.

1763 - - - - - Aug. 1, 1786.

1781 - - - - - Aug. 1, 1812.

† See Conjectural Estimates, pages 14 to 18.

general state of the Company's affairs, with an account of the half-yearly income and expenditure, should be laid before the Proprietors at their general court; otherwise, how can general courts, which are ordained to be called and held twice in every year, *for considering* the general state and condition of the Company, and for making dividends of all and singular the profit of the capital stock, have any grounds for consideration?

It is the duty of the court of Directors to lay before the court of Proprietors such documents as may enable them to judge of the state and condition of the Company, and of the dividend that is to be declared. It is a duty which the Proprietors who attend the court owe to themselves and to their families, and to the stranger,* to the widow, and to the orphan, whom they virtually represent, to investigate these documents, to revise and regulate the expenditure, to examine into the state and condition of the Corporation, that, if found prosperous, each partner may reap his share of the benefit; and, if the reverse, that timely remedies may be applied. If this had been done, "what has happened would not have happened."

This disclosure of the state of the affairs of the Company is also necessary for preventing any undue advantage being taken, by those who have an opportunity of knowing the real state of the Company, over those other Proprietors who do not.

I most readily allow, that the present Directors are men of integrity and honour; but it may happen, that some of their successors may neither think it unfair nor dishonourable to avail themselves of their knowledge of the Company's affairs; and, finding them to be in such a prosperous state as to admit of proposing an increase of dividend of two or three per cent. which would naturally advance the price of stock very considerably, it would be a very great temptation for them to purchase as much stock as they possibly could, from the Proprietors ignorant of this circumstance, prior to the general court at which such proposal of increase of dividend was to be made; and, by this means, advance their own fortunes, at the expense of the other partners of the Company.

* There are about 2,500 Proprietors of Bank-stock; of which, about 4 or 500 are foreigners, residing at Amsterdam, Rotterdam, Antwerp, Brussels, Frankfort, Switzerland, Genoa, and other places abroad. There are about 260 widows, and 330 spinsters.

Now, the laying the state of the Company's affairs before the Proprietors, and making half-yearly dividends of the whole profits, will put an end to all speculations in the Company's stock; for, it is not to be supposed that the profits of one half-year will so far exceed that of the preceding, as to prove a very great temptation for any one to avail himself of his knowledge of the circumstance.

I come now to the motion which I am to submit to you on Thursday, the 14th, for an account of the charges of management, the expense of building, and of all other expenses.

I am told, but I cannot easily believe it, that, if this motion should not be agreeable to the Directors, some of the Proprietors, though convinced of the propriety of the motion, would not give it their support, for fear of giving offence; and might even oppose it, to court favour. If it were possible to conceive that any of the Proprietors could be so mean and dastardly, I am certain the Directors would shrink from such rotten supporters, who must proceed upon the principle, that the Directors are vindictive, and would not, according to their duty, "be equal and indifferent to all manner of persons."

I have considered it as my duty and my interest to bring the motion forward. You are all equally interested. You are the arbiters of the fate of the motion.

If it is carried, it may do good. It can do no harm. It calls for no secret which ought to be concealed. It affords the court of Directors an opportunity of refuting the rumours which are in circulation with regard to the expense of building,* some of which I believe to be groundless.

I am your most obedient humble servant,

ALEXANDER ALLARDYCE,

One of the Proprietors of the Bank of England.

* Many persons, who have their all in the stock of the Bank of England, are now denying themselves the comforts of life, to enable them to preserve their stock till better times. It may be worthy of the consideration of the court of Proprietors, whether it would not be proper to suspend building for a time, at least while the Bank suspends its payments; and that the saving may go to increase the income of those unfortunate persons, (which can only be done by an increase of dividend to them, in common with the rest of the Proprietors,) and so enable them to encounter a very heavy additional tax upon income, which is now coming forward. But, I trust, I shall make it appear that a very considerable addition may be made to the dividend, without having recourse to this expedient.

A Conjectural Estimate of the annual Income of the Bank of England.

	£.
THE Bank receives, from Government, interest on the permanent debt, being £44,400 more than the capital stock of the Bank, viz. £11,686,800 at three per cent. per ann. - - - -	350,604
The Bank receives under the name of House-Expenses - -	4,000
The Bank receives at the rate of £450 per million for managing the public debt, which, including the Imperial Loan, Imperial, India, and Irish, Annuities, and converting the Government-annuities, (as the law directs,) at twenty-five years purchase, will exceed four hundred millions; but, take four hundred millions, at £450 per million - - - - -	180,000
The Bank charge at the rate of £805 : 15 : 10 per million for taking in the loan; say twenty millions - - - - -	16,000
For the management of four millions capital purchased by the Bank from the South-Sea Company - - - - -	1,898
For the management of the Lottery - - - - -	1,000
The debt due from Government to the Bank on Land, Malt, Exchequer-bills, &c. may be averaged at ten millions.* On the 25th of February, 1797, it was - - - - -	£10,672,490†
On the 11th of November, 1797, it was reduced to - - - - -	£4,258,140
Carried forward,	£4,258,140
	£553,502

* See Appendix, pages 67, 68, 69, 70.

† Appendix, page 69. The Government-debt, on the 25th of February, 1797, is stated at - - - - - £9,964,413 : 3

Appendix, page 62. The Government-debt, on the 25th of February, 1797, is stated at - - - - - 10,672,490 : 0

The difference must be the interest.

	£.	£.
Brought forward,	4,258,140	553,502
The Bank have since agreed to advance on Land and Malt, 1798 - - - - -	2,750,000	
And on Exchequer-bills - - - - -	3,000,000	
	<hr/>	
	£10,008,140	

Say, Government-debt on Land, Malt, Exchequer-bills, &c. 10
millions, at 5 per cent. - - - - - 500,000

Loan to the East-India Company, on mortgage of £1,200,000
annuities, £700,000, at 5 per cent. - - - - - 35,000

Five per Cent. Perpetual Annuities, for Navy-bills funded,
£795,000, at 5 per cent. - - - - - 39,750

Five per Cents. 1797, (Loyalty,) one million, subscribed at
£112 10s. per cent. - - - - - 56,250

On hand, February 25, 1797. American debentures, 1790,
£50,000; Navy-bills, 15,000 - - - - - 3,250

Take the average-discount of mercantile bills of exchange at
five millions,* at five per cent. - - - - - 250,000

1,437,752

Out of which the Bank pays to the Proprietors a dividend of 7
per cent. per annum on the capital of £11,642,400 - - - - - 814,968

Leaving a balance to be accounted for of - - - - - 622,784

In the above estimate, I have chosen to be rather within than beyond the
truth. There is hardly a sum that will admit of dispute but the last, of dis-
counts on mercantile bills of exchange, and that is thought to be within the
mark. If the Bank gives the accommodation it ought to do to merchants and
manufacturers, it should be a great deal more.

* The discount of mercantile bills seems to have been very much contracted about the 25th Fe-
bruary, 1797, when it appears to have stood at about three millions. Mr. Giles's evidence, Appen-
dix, page 52, states, that, soon after, it had been increased two millions; and, I believe, discounts
since that time have been given with such liberality as to have given great facility to mercantile transac-
tions.

If the foregoing estimate is near the truth, which I have every reason to think it is, and that the gross annual income of the Bank is - - - - - £ 1,437,752

Instead of 7, it would admit of a dividend of 10 per cent. on the capital of £ 11,642,400 among the partners, which would be - - - 1,164,240

Leaving a balance of - - - - - 273,512

Which, being much more than sufficient to pay the charge of managing the business of the Company, the expenses of building, and all other expenses, what remains may go over to the hoard for which the court of Directors have such an affection, but of which I cannot see the use.

It would appear, that this hoarding system has not been of very long standing; for, the hoard of surplus-profits does not now amount to quite four millions. Had the sum of fifty thousand pounds (a sum comparatively small to the profits of the Bank) been set aside each year, for the first fifty years, from 1694, when the Bank was established, and the sum of one hundred thousand pounds a year, for the next fifty-three years, up to the present time, and had been allowed to accumulate, at legal compound-interest, they would have amounted, at this time, to more than one hundred millions; by far too large a sum to be entrusted to any Corporation. The Act of Queen Anne,* therefore, wisely prohibited any accumulation of that kind, and directed *all* the profits to be divided, half-yearly, among the Proprietors for the time being.

Another Conjectural Estimate of the net annual Income of the Bank of England.

BY the report of the Secret Committee,† it appears, that the surplus-profits of the Bank (exclusive of the permanent debt, due from Government, of £ 11,686,800, bearing an interest of 3 per cent.) were, February 27, 1797,

£ 3,826,890

And, by a subsequent report,‡ that they were, November 11, 1797, 3,839,550

Leaving an increase of - - - - - £ 12,660

* See page 19.

† See Appendix, page 4.

‡ See Appendix, page 80.

But

Brought forward - - - £12,660

But it is to be observed, that, in the intermediate time, between February 27 and November 11, being exactly eight months and a half, two half-yearly dividends had been paid, viz. — April 25, 1797, six months dividend, on the capital of £11,642,400, at the rate of 7 per cent. per annum - - - - - £407,484

October 10, 1797, six months dividend - - - 407,484

814,968

£827,628

So that twelve months dividend had been paid out of eight months and a half's profits, leaving a balance of £12,660: and these appear to be *net* profits; for, the Bank-accounts being made up in March and October, it is to be supposed that a year's expense of management, expense of building, and all other expenses, must have been charged at these times.

From these data, it may be possible to form a pretty accurate estimate of the profits of the Company for the year between February 27, 1797, and February 27, 1798.

The net profits, between February, 1797, and November, 1798, being eight months and a half, were - - - - - £827,628

But part of this was a half-yearly dividend, received, July 5, 1797, from Government, on £11,686,400, at 3 per cent. per annum - - - - - £175,302

And, for house-expenses - - - - - 2,000

£177,302

Profit produced, in eight months and a half, by discounts, interest, management of the public debt, &c. - - - - - 650,326

Profits of eight months and a half - - - - - £827,628

January 5, 1798, there will be another half-yearly dividend paid by Government - - - - - £177,302

February 27, 1798, computing the profit on discount, &c. since November 11, being three months and a half,

Brought forward	- - -	£177,302	£ 827,628
at the same rate and proportion as the preceding eight months and a half, they will be	- - - - -	267,780	
Profits of three months and a half	- - - - -	<u> </u>	445,082
Net profits of twelve months	- - - - -		£ 1,272,710
Deducting which from the preceding Conjectural Estimate of the gross profits	- - - - -		<u>1,437,752</u>
Leaves, for expenses of all kinds	- - - - -		<u>£ 165,042</u>
This last statement, which makes the net annual income	- -		£ 1,272,710
Would give a dividend, at 10 per cent. of	- - - - -		<u>1,164,240</u>
And leave a surplus of	- - - - -		<u>£ 108,470</u>

Another Statement of the annual Income of the Bank.

Interest on Government permanent debt	- - - - -	£ 350,604
Charge in name of house-expenses	- - - - -	4,000
Management of public debt, 400 millions, at £450 per million	-	180,000
Charge for taking in the loan	- - - - -	16,000
Management of four millions bought from South-Sea Company	-	1,898
Management of lottery	- - - - -	1,000
Average of Bank-notes in circulation,* for which a corresponding value of paper bearing interest has been taken, eleven millions, at 5 per cent.	- - - - -	<u>550,000</u>
Four millions surplus-profits invested in 5 per Cent. stock, loan to India-Company, American debentures, and other debts, at 5 per cent.	- - - - -	<u>200,000</u>
		<u>£ 1,303,502</u>

* See Appendix, page 76.

The drawing-account, audit-bills, &c. may stand against the cash and bullion.

These three statements strengthen and confirm one another. The lowest of them admits of a dividend of 10 per cent. and leaves a very considerable surplus.

Extract from the Act of the 8th William III. (1697,) chap. 20.

IT IS ENACTED, That *all* the profit, benefit, and advantage, *from time to time*, arising out of the management of the said Corporation of the Governor and Company of the Bank of England, shall be applied to the uses of all the Members of the said Corporation, rateably and in proportion to each Member's part, share, and interest, in the common capital and principal stock of the said Governor and Company hereby established.

Extract from the Act of the 7th Queen Anne, (1708,) chap. 7, sect. 63.

AND BE IT FARTHER ENACTED, That the original fund of the said Governor and Company, of one hundred thousand pounds per annum, before-mentioned; and *all* the profit, benefit, and advantage, *from time to time*, arising out of the management of the said Corporation, and also the said annuity of one hundred and six thousand five hundred and one pounds, thirteen shillings, and four pence, and likewise the said allowance of three pounds per cent. per annum, for circulating the Exchequer-bills, to be made out by virtue of this Act, shall (the charges of managing the business of the said Governor and Company *only* excepted) be applied, *from time to time*, to the uses of all the Members of the said Corporation, *for the time being*, rateably and in proportion to each Member's part, share, and interest, in the common capital and principal stock of the said Governor and Company of the Bank of England.

XII. BYE-LAW.

General Courts, for Dividends, half-yearly.

Item. It is ordained, that, twice in every year, a general court shall be called and held, for considering the general state and condition of this Corporation, and for the making of dividends, out of all and singular the produce and profit of the capital stock and fund of this Corporation and the trade thereof, amongst the several owners and proprietors therein, according to their several shares and proportions; the one of which said courts shall be held on some day between the 10th and 25th day of September, and the other on some day between the 10th and 25th day of March, yearly (old style).

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POSTSCRIPT

P O S T S C R I P T

TO

AN ADDRESS

TO THE

PROPRIETORS OF THE BANK OF ENGLAND:

WITH

AN APPENDIX,

AND A

CONTINUATION OF THE POSTSCRIPT.

Justum et tenacem propositi virum,
Non vultus instantis tyranni
Mente quatit solidâ:
Si fractus illabatur orbis,
Impavidum ferient ruinæ.

BY A. ALLARDYCE, Esq. M. P.

One of the PROPRIETORS of the BANK of ENGLAND.

L O N D O N:

PRINTED FOR W. J. AND J. RICHARDSON, UNDER THE ROYAL EXCHANGE.

1798.

P O S T S C R I P T

TO

AN ADDRESS

TO THE

PROPRIETORS OF THE BANK OF ENGLAND:

WITH

AN APPENDIX,

AND A

CONTINUATION OF THE POSTSCRIPT.

Impavida terrena vires,
Si fructus illabatur orbis,
Mente quatit solida:
Non vultus infans tyranni
Iulius et terrorem propoliti vitæ

By A. ALLARDYCE, Esq. M.P.

One of the Proprietors of the Bank of England.

L O N D O N :

Printed for W. J. and J. Richardson, under the Royal Exchange.

1798.

TO THE
PROPRIETORS

OF THE
BANK OF ENGLAND.

ST. JAMES'S STREET, JAN. 13, 1798.

P. S. **A**T a general court of Proprietors, held on Thursday, the 14th of December last, which had been summoned to meet on special affairs, and which was also to be one of the general quarterly courts appointed by the Charter, the Governor did me the honour to inform the court, that it had been called out of respect to a Proprietor, who had given notice, that, at the first general court, he would bring forward a motion for laying before the court an account of the annual expenses of the Company.

I accordingly made the following motion, viz. " That there be laid before this
" court an account of the charge of managing the business of the Governor and
" Company of the Bank of England; an account of the expense of building; *
c " and

* I thought it necessary to call for this account for the following reason among others: In the state of the finances of the Bank, given in by the Directors to the Secret Committee, (see Appendix, page 86,) they take credit, for lands and tenements, for only £65,000, though, it is probable, that more than ten times that sum has been expended on buildings. It would appear from hence, that the whole expenses of building is paid out of the profits of the partners for the time being, though they will be equally for the benefit of the partners for the time coming, a hundred or two hundred years hence, if the Bank should continue a Corporation so long.

“ and an account of all other expenses incurred by the Governor and Company,
 “ from the 10th of October, 1787, to the 10th of October, 1797, distinguishing
 “ the different years and the particulars under their respective heads.”

I observed, that if it could be made appear that the motion would do any harm, or that it called for any secret which ought to be concealed, I would readily withdraw it.

There were no arguments used to prove the impropriety of the motion. A respectable Proprietor* opposed it, by moving the previous question, which was carried.

He said, there was no doubt but the court of Proprietors had a right to call upon the court of Directors for accounts, though, at present, he deemed it inexpedient; but, at the return of peace, he would be one of the first to propose an additional dividend. — I take him at his word.

I have not the pleasure of being known to this gentleman, but I know him to be a consistent, manly, and independant character, *et nullius addictus jurare in verba magistri*: if opposition must come, it would be a consolation if it always came in such an unquestionable shape.

I know that this Proprietor will never propose, nor consent to, an additional dividend, without having before him the strongest and best evidence that there are

It is only justice, in this case, to take the interest, and a very small matter for a Sinking-Fund, from the profit of the Proprietors for the time being, who ought only to pay for the use of the buildings while they are the occupiers of them.

It is certainly improvident in any tenant to lavish a great deal of money on buildings when his lease is nearly expiring, because his successor will only take them off his hands at his own price, or at no price at all.

The Charter of the Bank expires in 1812; and, if the Government or the Proprietors do not think fit to renew it, fourteen years hence the capital £11,686,400 in the hands of Government, with the surplus-profits and the other effects of the Bank, among which the produce of the sale of the lands and tenements, will fall to be divided among the Proprietors.

It is probable that many of the Proprietors, thinking that they themselves can manage their own property as well as it has been managed for them in the Corporation, will not be for a renewal of the Charter, but for a liquidation of accounts. The great sums which have been expended upon buildings will be mostly lost, as these buildings are hardly fit for any other purpose than that to which they are at present applied.

* Samuel Hoare, Esq.

the means of making it; and also substantial proofs to satisfy him, that it may be, in some degree, permanent, and not subject to much fluctuation. The strongest and best evidence which can be produced for this purpose will be an account of the state and condition of the Company, with an account of the annual income and expenditure for several years back, on which to strike an average. It is the province and the duty of the court of Proprietors to declare dividends, after having considered the funds from whence they are to be made.

When the happy days of peace arrive, it will give me great satisfaction to second this worthy Proprietor in his motion for an additional dividend; but, previously, for a production of accounts, if both cannot be obtained sooner: for, I cannot conceive that there ever can be a time more propitious than the present, for proclaiming to all Europe this important truth,—that, notwithstanding a most expensive war, the trade and commerce, the agriculture and manufactures,* of this country, have so much increased, and have, consequently, so much increased the circulation and profits of the Bank of England, as to enable it to make a dividend of ten per cent. instead of seven.

What inference could be drawn from this, but that such a nation must be invincible, whose very misfortune of war promotes its means of carrying on the war.

The motion for an account of expenses having received its *quietus* from the court of Proprietors, I revert to the other motion, which I have given notice I shall bring forward at the general court, to be held for considering the state and condition of the Company, &c. viz.

“ That there be laid before the court an account of the general state and condition of the Corporation, with an account of the income and expenditure for the half-year immediately preceding; and that a dividend of *all* the profits, benefits, and advantages, arising out of the management of the said Corporation for the said half-year, (the charges of managing the business of the said Governor and Company *only* excepted,) shall be made to and for the use of all the Members of the said Corporation for the time being, rateably and in proportion to each Member's share and interest in the common and principal stock of the Governor

* See an account of Imports and Exports, Appendix, page 64.

“ and Company of the Bank of England, as required by the statute of the 7th
 “ year of Queen Anne, chap. vii. sect. 63.”*

Upon better consideration, I shall not bring this forward in the shape of a motion, but in that of a demand; for, after having had the Act of Parliament read, it would not be decent to put it to the vote whether obedience should be paid to it or not. But any Proprietor may address the court in such terms as the following: —

“ Having considered your articles of co-partnership, *viz.* your charter, your
 “ bye-laws, and the Acts of Parliament which relate to the Bank, I entered
 “ into partnership with you, under a conviction that I should, twice a year,
 “ see a state of our affairs; and that I should, twice a year, receive my pro-
 “ portion of the net profits. If you do not shew me a general state of our
 “ debts and credits (I do not want the particulars); if you do not shew me
 “ an account of our income and expenditure for the last half-year; and also
 “ give me my share of the whole net profits of the said half-year; I do not
 “ think you do me justice. If I do not get justice here, I must seek it some-
 “ where else, where I make no doubt I shall find it.” — He might add,
 “ My property in your stock is not great; but I hold myself in conscience
 “ bound to act here as if it were all I had in this world, as I consider myself to
 “ be the virtual representative of many who are in that predicament. Of the
 “ 2,500 Proprietors, near a fourth part, or six hundred, are unprotected unmar-
 “ ried ladies, who, from motives of delicacy, do not attend your deliberations.
 “ There are nearly five hundred foreigners, who, from local circumstances, cannot
 “ attend them. As an honest man, I think it my duty to protect their pro-
 “ perty, and do what I can to make the Corporation revert to the principles of
 “ its constitution; for, I doubt prejudices have been mistaken for princi-
 “ ples.

“ It is absolutely necessary, that there should be a change of a system which
 “ we have found, experimentally, to have been productive of much evil. If
 “ the price of our stock be the criterion by which the public judge of the wealth

* See Act 8th of King William III. chap. 20, Appendix, page 123.

Act 7th of Queen Anne, chap. 7, sect. 63 - - - - - 124.

Bye-law XII. - - - - - 120.

“ and good government of the Bank of England, it has been suffered to fall dis-
 “ reputably low.

“ The price of Bank-Stock was, February 14, 1792, 220 per cent.

" 25, 1797, 130

" June 1, 1797, 115

" 3 per Cent. Consols, February 25, 1797, 50

" June 1, 1797, 48

“ Our stock, from February 25 to June 1, in little more than three months,
“ fell in the proportion of 15 per cent. while the Government 3 per Cent.
“ Stock fell only in the proportion of two per cent. This disproportion must
“ have been occasioned by the event which happened on February 27. This
“ event cannot be imputed to the Proprietors; except, to their remissness in
“ not looking into their affairs. By this event, (which, I think, may be im-
“ puted to our Directors,) the Proprietors’ property has suffered a loss of about
“ an eighth part.

“ The Bank of England, possessing so many privileges and advantages peculiar to itself, and these advantages greater in time of war than at any other time, it is surprising that the property of the partners in the Bank should have suffered a greater degradation than any other species of property in the kingdom; at a time, too, when all other concerns which had the command of money were making immense fortunes. This certainly deserves some explanation: we ought, therefore, to have a state of our affairs before us, that we may see in what this defect of management consists.”

I shall not anticipate the answer I may receive to my demand. If the Directors will seriously and conscientiously consider, that what I demand is my *lawful* right; and that, in point of moral delinquency, he that withholds it from me is as bad as he that takes it from me; that they are under solemn and sacred obligations to administer the affairs of the Bank according to what its constitution really is, and not according to what, in their opinion, it ought to be; and when I consider, that I am not dealing with house-breakers and pick-pockets, but with men of moral and religious principles; I have reason to think that the answer to the demand will be favourable.

It may be said, that the positions which I have stated may not be true. That I believe them to be true, I give you my word; but I do not desire you to take

take it. Put them to the proof. Let the Directors take the opinion of their own very able and learned Counsel; and, if it convinces them that I am in the wrong, it will, very probably, convince me; and I shall candidly acknowledge it, and be ashamed of having given them and myself so much trouble. But if, on the contrary, they shall find that they themselves are in an error, I hope they will have the magnanimity and candour to abandon it, by a spontaneous act of their own. — Wisdom never appears in so amiable a manner as when acknowledging and retracting its errors.

Not choosing to trust entirely to my own judgement, I have taken the opinion of a gentleman of eminence in the law. It is here subjoined.*

* Opinion of — — —, Esq. on a Case stated relative to the Bank of England.

See Act 8th of King William III. chap. 20, page 19.

Act 7th of Queen Anne, chap. 7, sect. 63, page 19.

Bye-law XII. page 20.

By the 63d section of the Act of the 7th of Queen Anne for enlarging the capital of the Bank, &c. it is enacted, that *all* the profits, benefits, and advantage, from time to time, arising to the Corporation, (the charges of managing the business of the Company only excepted,) shall be applied, from time to time, to the uses of *all* the Members of the Corporation *for the time being*, rateably and in proportion to each Member's share in the common capital and stock.

The 12th Bye-law of the Corporation is calculated to give effect to this clause of the Act, it being ordained thereby, that a general court shall be called twice a year, for considering the general state and condition of the Corporation, and for the making of dividends out of *all and singular* the produce and profit of the stock and fund of the Corporation, and the trade of it among the several Owners and Proprietors, according to their respective shares and proportions.

The Act directs that all profits shall be divided. The Bye-law ordains, there shall be two general courts for determining what the half-yearly dividends shall be, upon considering the general state and condition of the Corporation.

What all the profits amount to, cannot be known without an account of the whole receipt and of the whole expenditure. If all the Proprietors present are content to acquiesce in whatever is said or proposed at any such meeting by the Governor and Directors, they certainly may do so. If, however, any one Proprietor shall not be so content, but shall require the production and investigation of the account of the whole receipt and of the whole expenditure, in order to form a judgement of what the dividend should be, this account must be produced. The Proprietors at large are, or any one of them is, entitled to it, because, without it, it is impossible to form a judgement what the dividend should be.

This plain right may, notwithstanding, be infringed and borne down for the present, by a calling for the question, and the appearance of a majority against the proposition. If so, there is a well-known maxim arising out of the acknowledged excellency of the law of England, "*there is no wrong without a remedy.*"

2d January, 1798.

I recommend no scheme but what has been tried and practised, and found, upon long experience, to be wholesome and beneficial. The Bank of Scotland, established in 1695, produces its accounts to the Proprietors once a year; the Royal Bank of Scotland, erected in 1727, exhibits its accounts four times a year. Their Proprietors, *for the time being*, receive their share of the *whole* profits *for the time being*, either by having them divided amongst them, according to their respective shares of stock, or by adding such proportion of them to the capital, as the Proprietors, in general court assembled, may think proper. By this means, chiefly, the capital of the Bank, which was originally only £100,000 each, has been increased to £1,000,000 each. The stock of the Royal Bank of Scotland, in proportion to its dividend, now sells above *forty* per cent. higher than the stock of the Bank of England, in proportion to its dividend. This shews the opinion of the country of its wealth and good management, and that there is nothing but mischief to be got by mystery and concealment.

The chartered Banks of Scotland do not enjoy many of the privileges and advantages which are peculiar to the Bank of England; they do not enjoy any monopoly. Any number of persons may associate in Scotland, and join their capitals for establishing a Bank: in the metropolis of Scotland there are several rival Banks, who issue Bank-notes which are in general circulation: in almost every considerable town, there are one or two Banks, consisting of from ten to a hundred partners, which issue notes and discount bills. The chartered Banks of Scotland have not an opportunity of dealing in Government floating-securities, which they would look upon to be a very lucrative branch of business; but, *procul a Jove, procul a fulmine*: they are not solicited to make advances to Government, repayable only in three years: but that might be safely left to their own discretion. I believe Mr. Secretary Dundas, who is Governor of one of the Banks, knows more of the principles of banking than to consent to make any permanent advances, on any account whatsoever. I am certain the Directors never will.

The Secret Committees of the Houses of Lords and Commons, appointed to inquire into the causes which produced the Order of Council of the 26th of February, 1797, and to state the out-standing demands against the Bank, and the funds for discharging the same, having reported the result of their investigation, I have selected from the Reports such passages and accounts as are relative to the purpose of this Address, and such as tend to illustrate the affairs of the Bank, and also such as may enable us to judge of the causes which produced the suspension
of

of payments in specie, and of the means which might have prevented it: they are annexed to this in the Appendix.

Some accounts given in by the Bank to the Committees, but not published in the Reports, have fallen into the hands of a gentleman, eminent for financial knowledge and acuteness, and he has given them to the public; they serve to throw additional light on the affairs of the Bank; they are inserted in the Appendix.

The constitution of the Bank of England being very little known, and very much misunderstood, I have added a copy of the charter and of the bye-laws, and extracts from several Acts of Parliament relative to the Bank, and a short account of the establishment of the Bank of England.

In a continuation of the Postscript, at the conclusion of the Appendix, I shall submit to you some observations on the Bank's suspension of payments in specie, on the causes which produced it, and on the means which might have prevented it.

I am your most obedient humble servant,

ALEXANDER ALLARDYCE,

One of the Proprietors of the Bank of England.

APPENDIX.

A P P E N D I X.

ORDER OF COUNCIL,

At the Council-Chamber, Whitehall, Sunday, February 26, 1797.

Present,

THE LORD-CHANCELLOR,	EARL SPENCER,
LORD-PRESIDENT,	EARL OF LIVERPOOL,
DUKE OF PORTLAND,	LORD GRENVILLE,
MARQUIS CORNWALLIS,	MR. CHANCELLOR OF THE EXCHEQUER.

UPON the representation of the Chancellor of the Exchequer, stating, that, from the result of the information which he has received, and of the inquiries which it has been his duty to make, respecting the effect of the unusual demands for specie that have been made upon the metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country, it appears, that, unless some measure is immediately taken, there may be reason to apprehend a want of a sufficient supply of cash to answer the exigencies of the public service; it is the unanimous opinion of the Board, that it is indispensably necessary, for the public service, that the Directors of the Bank of England should forbear issuing any cash in payment until the sense of Parliament can be taken on that subject, and the proper measures adopted thereupon, for maintaining the means of circulation, and supporting the public and commercial credit of the kingdom at

this important conjuncture. And it is ordered, that a copy of this Minute be transmitted to the Directors of the Bank of England; and they are hereby required, on the grounds of the exigency of the case, to conform thereto, until the sense of Parliament can be taken as aforesaid.

(Signed) W. FAWKENER.

The Bank issued an Advertisement in all the daily Newspapers,
of which follows a Copy.

“ Bank of England, Feb. 27, 1797.

“ IN consequence of an order of His Majesty's Privy-Council, notified to the
“ Bank last night, the Governor, Deputy-Governor, and Directors, of the Bank
“ of England, think it their duty to inform the Proprietors of Bank-Stock, as
“ well as the Public at large, that the general concerns of the Bank are in the
“ most affluent and prosperous situation, and such as to preclude every doubt as
“ to the security of its notes.

“ The Directors mean to continue their usual discounts for the accommodation
“ of the commercial interest, paying the amount in Bank-notes, and the divi-
“ dend-warrants will be paid in the same manner.

“ (Signed) FRANCIS MARTIN, Secretary.”

On Monday, the 27th of February, Mr. Pitt brought down
the following Message from the King to the House of
Commons.

“ G. R.

“ HIS Majesty thinks it proper to communicate to the House of Commons,
“ without delay, the measure adopted to obviate the effects which might be oc-
“ casioned

“caſioned by the unuſual demand of ſpecie lately made from different parts of
“the country on the metropolis.

“The peculiar nature and exigency of the caſe appeared to require, in the
“firſt inſtance, the meaſure contained in the Order of Council, which His Ma-
“jeſty has directed to be laid before the Houſe. In recommending this impor-
“tant ſubject to the immediate and ſerious attention of the Houſe of Commons,
“His Majeſty relies with much confidence on the experience, wiſdom, and
“firmneſs, of his Parliament, for taking ſuch meaſures as may be beſt calculated
“to meet any temporary preſſure, and to call forth, in the moſt effectual man-
“ner, the extenſive reſources of his kingdom, in ſupport of their public and
“commercial credit, and in defence of their deareſt intereſts.

“G. R.”

ORDERED, That His Majeſty's ſaid moſt gracious Meſſage be taken into
conſideration to-morrow morning.

House of Commons, Feb. 28, 1797.

ORDERED, That a Committee be appointed to examine and ſtate the total
amount of the out-ſtanding demands on the Bank of England, and likewiſe of the
funds for diſcharging the ſame, and to report the reſult thereof to the Houſe, to-
gether with their opinion on the neceſſity of providing for the confirmation and
continuance, for a time to be limited, of meaſures taken, in purſuance of the
Minute of Council, on the 26th Inſtant.

RESOLVED, That the ſaid Committee be a Committee of Secrecy.

RESOLVED, That the number of the ſaid Committee be fifteen.

RESOLVED, That the ſaid Committee be choſen by way of balloting.

1ſt March.

A Committee of fifteen Members was accordingly choſen by ballot.

ORDERED, That the ſaid Committee, or any five of them, do meet this day,
at one o'clock, in the Speaker's Chamber, and have power to ſend for perſons,
papers, and records, and to adjourn from time to time, and from place to place,
as they ſhall think fit, and to report their proceedings from time to time to the
Houſe, and to have power to ſit during the ſitting, and notwithstanding any ad-
journment of the Houſe.

First Report from the Committee of Secrecy.

(Ordered to be printed 3d March, 1797.)

THE Committee appointed to examine and state the total Amount of out-standing Demands on the Bank of England, and likewise of the Funds for discharging the same; and to report the Result thereof to the House, together with their Opinion on the Necessity of providing for the Confirmation and Continuance, for a Time to be limited, of Measures taken in pursuance of the Minute of Council on the 26th of February last; and who are empowered to report their Proceedings from Time to Time to the House; have, pursuant to the Order of the House, proceeded to examine into the several Matters referred to their Consideration, and have unanimously agreed upon the following Report, viz.

YOUR Committee have examined the total amount of out-standing demands on the Bank of England, and likewise of the funds for discharging the same, and think it their duty, without loss of time, to state those total amounts, and to report the result thereof to the House.

Your Committee find, upon such examination, that the total amount of out-standing demands on the Bank, on the 25th day of February last, (to which day the accounts could be completely made up,) was £13,770,390: and that the total amount of the funds for discharging those demands (not including the permanent debt due from Government of £11,686,800, which bears an interest of three per cent.) was, on the same 25th day of February last, £17,597,280; and that the result is, that there was, on the 25th day of February last, a surplus of effects belonging to the Bank, beyond the amount of their debts, amounting to the sum of £3,826,890, exclusive of the above-mentioned permanent debt of £11,686,800 due from Government.

And your Committee farther represent, that, since the 25th of February last, considerable issues have been made by the Bank, in Bank-notes, both upon Government-securities and in discounting bills, the particulars of which could not immediately be made up; but, as those issues appear to your Committee to have been made upon corresponding securities, taken with the usual care and attention, the actual balance in favour of the Bank did not appear to your Committee to have been thereby diminished.

Second

Second Report from the Committee of Secrecy.

(Ordered to be printed 7th March, 1797.)

THE Committee appointed to examine and state the total Amount of out-standing Demands on the Bank of England, and likewise of the Funds for discharging the same; and to report the Result thereof to the House, together with their Opinion on the Necessity of providing for the Confirmation and Continuance, for a Time to be limited, of Measures taken in pursuance of the Minute of Council on the 26th of February last; and who were empowered to report their Proceedings from Time to Time to the House; have farther examined into the several Matters referred to their Consideration; and have agreed to report to the House;

THAT, in their opinion, it is necessary to provide for the confirmation and continuance, for a time to be limited, of the measures taken in pursuance of the order of council on the 26th of February last; submitting to the wisdom of Parliament to determine for what limited time it may be necessary that those measures should be continued.

Extracts from the Reports of the Committee of Secrecy of the Houses of Lords and Commons on the Affairs of the Bank of England, 1797.

SECRET COMMITTEE OF HOUSE OF COMMONS.

YOUR Committee find, That the cash and bullion in the Bank, having been considerably reduced between the month of June, 1795, and the 21st of February, 1797, were, on that day, in so low a state, as to induce the Directors of the Bank to lay before the Chancellor of the Exchequer the present amount, together with their apprehensions of its being still farther reduced, in order that he might take
such

such measures as might be thought most advisable for the public interest; that no means were suggested by the Directors of the Bank for preventing the danger which was apprehended, nor did any such occur to them at the time, nor have since been suggested to this Committee.

Your Committee farther observe, that, as the Directors of the Bank had, previous to the actual existence of the alarm, lessened the amount of their discounts, so as to have reduced them, by the 25th of February, one-fourth of the sum at which they stood in the beginning of this year; and, as the restriction of the accommodation afforded by them to individuals produced a similar decrease in the amount of discounts by private bankers, the joint effect of this diminished accommodation to the public, at a time when the circumstances above-mentioned, and others to be afterwards adverted to, seemed to require an increase of it, must necessarily have been an additional embarrassment in commercial and pecuniary transactions, tending to increase the demand for cash on the Bank.

It farther appears, that, though in the beginning of the year 1793, the cash and bullion of the Bank were reduced below their ordinary amount, yet the quantity of foreign gold, purchased by the Bank in the year 1793, very greatly exceeded the quantities purchased in the three preceding years; and the quantity of English coin, purchased by the Bank in the same year, was also considerable; so that, long before the close of the year, the quantity of their cash and bullion was raised to an amount much above what has been deemed necessary for their ordinary purposes, and above the amount at which it had been during any part of the year 1792.

It appears to your Committee, that the quantity of gold coined at the Mint during the years 1793, 1794, 1795, and 1796, amount to upwards of six millions sterling, of which about £885,000 only was coined in the two last years.

The increased amount and low price of the public funds, and the high discount on the negociation of Government-securities, have been particularly stated to your Committee, as having considerable operation, by inducing many persons, who, before the war, had been in the habit of employing their money in discounting bills of exchange as a profitable dealing, to withdraw their money from that course of business, and employ it in the purchase of floating Government-securities or other public funds. It also appears to your Committee, that these circumstances have had the farther effect of increasing the difficulty of raising money by loan upon private securities. The general effect of the low price of the funds, and the great profit to be made by purchasing Government floating-securities, seems to have been to invest, in various Government-securities, large sums of money before employed

employed as part of the active capital of the country, either immediately by the owner or mediately through the operations of discount or loan.

The advances made by the Bank to Government have been stated, and particularly by the Governor and Directors of the Bank, as having materially contributed to their present embarrassment; and it has been suggested, that it was important considerably to diminish these advances, for the purpose of reducing their notes in circulation to a nearer proportion to their cash, or at least to bring them more under their control, while, at the same time, they might be enabled to afford a larger accommodation to the commerce of the country by way of discount.

It appears to have been the opinion of persons, engaged in commercial and pecuniary transactions, that the diminution of Bank-notes since December, 1795, so far from tending to secure the Bank from the danger of a drain of cash, by contracting their engagements within a narrower compass, has in effect contributed to the embarrassment, which they have lately experienced, by reducing the requisite means of circulation, diminishing the general accommodation by way of discount, and thus occasioning a more pressing demand for specie; for, whilst the Bank itself is the readiest as well as the ultimate source of supply, your Committee conceive it may be thought important to state, that the amount of the cash and bullion in the Bank, during a great part of the year 1782 and a very considerable part of the year 1784, was below the amount at which it stood in any part of the year 1796; and that, during the whole of the year 1783, the amount was lower, and during some parts of that year was considerably lower, than it was on the 26th of February last; and that the Bank did not at these periods lessen the amount of their discounts or notes, and the circulation of the country suffered no interruption.

Your Committee also have observed, that, during a period of about nine months, between the month of June, 1792, and the month of March, 1793, there was a drain of cash and bullion from the Bank to an amount larger than that of the drain which took place from the month of December, 1795, to the 26th of February, 1797, being a period of about fourteen months, and considerably larger than the drain during the twelve months from the 1st of January, 1796, to the 1st of January, 1797; and that in April, 1793, the Bank raised their discounts to more than double the amount at which their discounts stood in December, 1796, and that the amount of cash and bullion gradually rose from the month of April, 1793; and, in the month of September, 1793, the amount was nearly equal to the
amount

amount in June, 1792; and, in December, 1793, exceeded the amount during any part of the year 1792; and, in the year 1794, rose still higher.

Examination of Mr. Giles, Mr. Bofanquet, Mr. Raikes, and Mr. Winthrop.

Q. Since the minute of Council, has there, at any time, occurred to you, or does there now occur to you, any practicable measure, by means of which the present restriction upon the issuing of cash from the Bank may, in your opinion, be safely removed?

Mr. Bofanquet.

A. Nothing at present; the only thing that can tend to relieve the Bank is a considerable repayment from Government.

Q. When hints were thrown out to the Chancellor of the Exchequer last year concerning the danger of drain of cash on the Bank, was any suggestion made, on the part of the Bank, to obviate that danger?

Mr. Raikes.

A. The general objects of our communications on that subject were, to be eased from the burthen of our advances to Government?

Q. Can you inform the Committee what has been the price paid by the Bank for bullion for the last twelve months?

Mr. Bofanquet.

A. £3 : 17 : 6 an ounce for gold, which is $4\frac{1}{2}d.$ an ounce under the coinage-price. The price of silver fluctuates. The Bank has given not more than $5s. 1\frac{1}{2}d.$ per ounce for dollars, which brings our standard silver to about $5s. 4d.$ per ounce, as I suppose. The coinage-price is $5s. 2d.$

Q. Is not the influx of bullion generally occasioned by a favourable Course of Exchange?

A. Yes.

Q. Has not the Course of Exchange been favourable for many months?

A. I apprehend it has not been unfavourable.

Q. Has the importation of bullion of late been such as it ought to have been, considering the state of Exchange?

A. I am not able to answer these kind of questions.

Q. Did

Q. Did you pay up the whole of the million subscribed to the Loan negotiated in December, 1796?

A. The Bank paid up the whole of their subscription at once.

Q. Does the Bank now hold that million?

A. Yes.

Q. Can you state to the Committee the reason why so small a quantity of money has been coined during the last two years?

A. Because a larger quantity of bullion has not been brought to the Bank for sale.

Q. Did you make any representations to the Chancellor of the Exchequer on the subject of the advances made to Government by the Bank?

A. Yes, very often.

Mr. Giles.

Q. Are you of opinion that the repayment of those advances would have materially contributed to prevent the necessity of the measure adopted by the Privy-Council on Sunday, the 26th of February?

A. Had the Government repaid us the advances which they owed, I believe we should have been in a state of security; and what has happened would not have happened.*

Q. Have you, in the course of the week which has passed since the Order of Council, made a considerable increase in your advances to Government, and in discounts or private bills?

A. I have no scruple to answer, we have advanced to Government £250,000 on Exchequer-Bills, upwards of £100,000 on Treasury-Bills, and increased our discounts in the course of the week.

Q. Unless Government repay the advances made by the Bank to them, are there any other circumstances likely to take place, which will make it safe or prudent to take off the restriction?

A. I do not foresee any.

Q. Did you concur, as a Director of the Bank, in the representations made to Government on the subject of the Bank advances?

Mr. Winthrop.

* *Macbeth*.—How now, you secret black and midnight hags?
What is't you do?

Hecate.—A deed without a name!

This act, or deed, of the 27th of February, has as yet received no appropriate name.

A. Certainly I did. — If Government had paid off a very considerable part of its debt to the Bank, it would, in all probability, have given us safety, and we should have had it more in our power to assist the mercantile interest, by extending our discounts; which, being limited to paper of two months, may, at any time, be increased or diminished, without the danger which must necessarily attend a great extension of the Government debt; the timely payment of which, we know, cannot always be depended upon.

Q. Will you state to the Committee what effect has been produced upon the affairs of the Bank, by the high amount of their advances?

A. I conceive that these advances would have tended to put it out of the power of the Bank to fulfil its engagements, if the drain of the Bank had continued, unless means had been found to pay a considerable sum to the Bank on those advances.

Q. Have the events which have lately happened induced you to alter the opinion which you entertained at the time, when you, as an individual Director, objected to such advances?

A. On the contrary, very much to confirm.

Walter Boyd,
Esq.

Q. What would be the effect of the Bank of England lessening its discounts?

A. To give rise to that alarm and distrust which is likely to lead timid persons to convert their Bank-notes into coin.

Q. What do you apprehend to have been the principal causes of the drain which has taken place on the Bank?

A. I attribute the drain chiefly to that line of conduct which, I believe, the Directors of the Bank have pursued since the month of December, 1795; when they announced to the public, by an advertisement, certain changes in the quantity and manner of conducting their business of discount.

Q. Will you state what those changes were, and what you apprehend to have been their effect?

A. I cannot from memory state precisely the changes in question; but I believe that the consequence of that advertisement has invariably been a resolution on their part to diminish the circulation of their notes, and consequently of their discounts.

Q. Has that diminution of discounts, in your opinion, had a sensible effect on commercial circulation?

A. Undoubtedly it has diminished the powers of commercial houses, and diminished the value of public securities.

Q. Are

Q. Are you acquainted with the course of exchange, and the price of gold and silver bullion at **Hamburgh**? Daniel Eliason, Esq.
March 30.

A. We get information every post; and the price varies.

Q. Has the course of exchange been favourable to this country for any time past, and how long?

A. If there are more goods exported from this country than is imported, then the exchange will be in favour of this country.

Q. Has the course of exchange been favourable to this country during the last three months?

A. Yes, it has.

Q. Was there, according to the last accounts which you received from **Hamburgh**, plenty of gold and silver at market?

A. There are both; — but most abundant of silver.

Q. Have, in point of fact, the expenditure of money abroad and the high advances made to Government by the Bank made the accommodation given by them to trade less than it otherwise might have been? Mr. Giles.
March 31.

A. Certainly it has. — We should never be hurt by discounts, if we had no other advances to Government.

Q. Having stated in your former evidence, “that, if the advances owing to Government had been repaid, these difficulties which have happened would not have happened:” do you mean to apply that expression to the sums advanced on Treasury-bills, the repayment of which has been stated to have been respectively desired by the Directors, in 1796, so as to have reduced the advance on that account to £500,000.

A. I apply it to the whole debt of Government: then, I would venture to say, it would not have happened.

Q. Have you, in point of fact, remarked, that, when the Bank has reduced or limited its discounts, within the amount of what the convenience of trade required, a rise in the discounts of Government-securities, and a fall in the price of stocks, has taken place? Henry Thornton, Esq.
April 2.

A. I have a general recollection, that, early in the last autumn, there was a considerable demand for discounts at the Bank, only a small proportion of which was complied with; and that there was also a great rise on some species of public securities; and I believe, also, a fall in the price of stocks. I more particularly know, that, at a period ending some weeks previous to the Order of Council, Exchequer-bills, payable in three months, and bearing about five and a half per

cent. interest, were sold, on Government-account, to the extent of about a million sterling, the interest which was made by the holders being thus about six and a quarter per cent. I also know, from perfect recollection, that, for two days antecedent to the Order of Council, the application to the Bank for discounts were unusually great, and that a very small proportion of them were complied with; and, also, that the discounts on Exchequer-bills rose, on the two days preceding the Order of Council, to about three, and three and a half, per cent. yielding to the holder about seventeen to nineteen per cent. per annum interest; and the stocks fell at the same time.

The difference between the price of stock sold for money, and the price of the same stock sold for a period distant by a few weeks, was such, as to make the interest paid by the sale and re-purchase of the stock amount to nearly the same rate. On Monday succeeding the Order of Council, a very large discount was made by the Bank, with a view of relieving the bankers from any run upon them, which the alarm arising from the event of the preceding day might occasion. I believe, however, that no such run took place. The price of Exchequer-bills continued on that day nominally as before; but, I believe, that few or none of them were sold. On the next day, when some degree of liberality in discounting again took place on the part of the Bank, they fell to two and a half per cent. and the stocks rose perceptibly. The difference between the ready-money stock and the price of a future day was such as to afford, if I recollect right, an interest of eight or ten per cent. I believe there has been, since that time, some degree of fluctuation in respect to the supply of discounts from the Bank, and a somewhat corresponding fluctuation in the price of the public securities I have already named. It appears to me, that the high rate of discount on Exchequer-bills, which I have mentioned to have taken place on Friday and Saturday preceding the Order in Council, was the consequence of the disappointments of the persons applying for discounts on the preceding Thursday, which is the chief discounting-day at the Bank; and, also, that the fall in the discount of the Exchequer-bills on Tuesday was the consequence of the enlarged discount on the Monday; and, therefore, that the diminution in the value of public securities, and the high rate of interest upon them, may be considered rather as being the effect of the conduct of the Bank, than as the cause of the applications being made to them for discounts.

Q. Did the news of the Order of Council produce any considerable shock on public credit in the metropolis?

A. I

A. I conceive the distress, for some time preceding it, and especially for two days before, to have been so great, that the relief given by the unusual discounts on the Monday more than compensated, in the minds of most of the mercantile world, for any alarm occasioned by the stoppage of the cash-payments of the Bank. It was the want of Bank-notes, and not of guineas, that had been felt; and no anxiety seemed to be entertained in the City, if Bank-notes were brought into circulation, respecting the manner of contriving to effect the smaller payments.

Q. Must not the reduction of Bank-notes, considerably below the amount which the convenience of trade requires, have a tendency to cause the manufacturers throughout the whole of Great Britain to limit their manufactures, and turn off their workmen?

A. I should think undoubtedly.

Q. Have any facts fallen within your knowledge in actual confirmation of that opinion?

A. I recollect to have heard a mercantile person remark, that he had plenty of goods for sale; that he had also a sufficient demand for them abroad; but that a great many of the labouring manufacturers, who made those goods, had been turned off for some time past, and an increased number just before the Order of Council, on account of his not being able to afford the usual credit, since he could not obtain his usual discounts.

Q. In your former examination, you stated some differences between the situations of the Bank of England and the country-bankers:—are there any others which suggest themselves to your mind?

A. There is one very obvious and important difference between the case of a country-banker and that of the Bank of England, to which the existence of the Bank of England itself gives rise. When a country-banker is in want of guineas, provided he has no supply of guineas in the neighbourhood, which in times of alarm will often be the case, he is sure of a resource in the Bank of England. He has only to write to the banking-house in London with whom he does his business, and to desire that they will send him such quantities of guineas as he wants by the return of the mail-coach. The country-banker, therefore, has only to provide himself either with a credit with his London correspondent, or with effects in his hands, or with some kind of property, such as stocks, Exchequer-bills, or discountable bills, quickly convertible into Bank-notes, and he may then consider himself as secure of having as many guineas as his occasions may

may require. I here assume that the Bank of England makes payments of cash as usual. In case the Bank of England should fail in its cash-payments, I would here also remark, that a country-bank, by suspending its cash-payments, suffers little or no discredit; and, as it appears from the circumstances of the present times, is in no respect very particularly distressed: on the contrary, when the guineas of the Bank of England are nearly exhausted, it has no repository of cash, as the country-banks have, to which it can resort.* I apprehend there is no quarter to which it can apply, nor any means which it can use, so as to obtain a considerable supply of guineas; and that its best, and perhaps its only, chance of attracting guineas to itself, is by strengthening general credit. It may, no doubt, contribute to a favourable balance of trade, and remotely therefore to an accumulation of guineas in its own coffers, by lending a general aid to commerce; and it may also more directly and immediately promote the return of guineas into its coffers in a time of alarm, by endeavouring to diminish that alarm, which I conceive it may do to a certain degree, and in certain cases, by a considerable increase, rather than a diminution, of its Bank-notes. I apprehend this is a very important point, in which the Bank of England differs both from a country-bank and from every private Bank.

William Lushington, Esq.
April 2.

Q. Were you Chairman of a Committee of Merchants of London, held at the London-Tavern, on the 16th March, 1797.

A. I was.

Q. How was that meeting summoned, and of what description of persons was it composed?

ad discount
A. The meeting was not called by public advertisement, from an apprehension that it would be too numerous for the proper transaction of business. The first meeting was in September, and was produced by private notes to about sixty respectable gentlemen in the mercantile line. At that meeting the Committee was appointed, and a deputation of that Committee had conferences, at different times, both with the Minister and the Bank of England, for the purpose of obtaining mercantile discounts on a more enlarged scale. When the object, for which the meeting was called, was obtained, the Committee were desired to consider themselves as a Standing Committee, for the purpose of watching the fluctuations of the

* It might have resorted to Hamburgh with good effect. — See Mr. Daniel Eliafon's evidence, page 11.

money-market, as far as it might effect mercantile men. The Committee renewed its meetings immediately after the orders of council of the 26th of February, and at length certain resolutions, which I have in my hand, were passed on the 16th, 24th, and 31st, March, 1797; which I beg leave to deliver in to the Committee.

Q. Upon what ground did the Committee come to the resolution on the 24th of March, importing, “that the capital employed in the export and import trade of Great-Britain, exclusive of the internal consumption of the country, amounted, upon an average of the last six years, to forty-five millions per annum?”

A. That opinion was founded on a statement of the annual exports and imports from the year 1790 to 1797; the year 1793 being omitted, as the year when the war commenced, and therefore not conceived as a proper criterion. The six years, on which the average is taken, include three years previous to the war, and three years subsequent to the year 1793, when the war commenced; and, as I am informed, the said statement was provided by Mr. Irving.

Q. Upon what ground did the Committee form their opinion, “that there was, at all times, at least two months supply of export and import merchandize in the custody of the merchants and factors?”

A. Upon the reasons stated in the second resolution of the 24th of March.

Q. Were the resolutions of the 24th of March communicated to the Bank-Directors?

A. They were.

Q. Has any arrangement taken place between the merchants and the Bank in consequence of those resolutions?

A. The Bank were extremely liberal in their communications on the subject; but declared that they could not commit themselves to apply any specific sum to mercantile discounts, but that they were perfectly apprized of the extended commercial system of the country, and, consequently, that the merchants must naturally and necessarily require a larger discount from that circumstance; and that it was both their inclination and their interest to extend that accommodation, in all cases, where bills of a proper description were offered; and that, when Government had paid off a considerable portion of the debt, which they owed to the Bank, they should have a greater latitude, and feel strongly inclined to avail themselves of it in favour of the merchants.

Resolutions

Resolutions of a Committee of Merchants on the Subject of
Discounts.

At a numerous Meeting of the Merchants of the City of London, held at the
London-Tavern, the 16th Day of March, 1797:

Mr. ALDERMAN LUSHINGTON in the Chair:

RESOLVED, That it is the opinion of this meeting, that the accommodation
afforded to the trade of the kingdom by the Bank of England, in discount of bills
and notes, has been found very inadequate to the present extended commerce of
the country.

RESOLVED, That it is the opinion of this meeting, that, without an extension of
the circulating medium of the kingdom, by discount of mercantile bills and notes,
that the general commerce of the country will be exposed to the most serious, im-
mediate, and alarming, evils.

RESOLVED, That it is the opinion of this meeting, that the recent mark of
confidence reposed in the Bank of England, by the respectable associations formed
for receiving their notes, notwithstanding the Order of Council of the 26th of
February, has given the merchants and traders a fair claim to reasonable and ne-
cessary accommodation.

At a numerous Meeting of Merchants, held at the London-Tavern, on Friday, the
24th Day of March, 1797:

Mr. ALDERMAN LUSHINGTON in the Chair:

RESOLVED, That it is the opinion of this meeting, that, exclusive of the internal
consumption of the country, the capital employed, in the export and import trade
of Great-Britain, has amounted, upon an average of the last six years, to forty-five
millions per annum.

RESOLVED, That it is the opinion of this meeting, founded upon their own
individual experience, and confirmed by fair and obvious reasoning, upon com-
mercial principles, that there is, at all times, at least two months supply of export
and import merchandize in the custody of the merchants and traders.

RESOLVED,

RESOLVED, That it is the opinion of this meeting, that an accommodation, by discount, to the value of such proportion of the export and import trade, is both reasonable and necessary, and may be afforded without risk to those who discount bills of exchange, represented and secured by such property in the hands of merchants and traders.

RESOLVED, That the Chairman be desired to send a copy of the above resolutions to the Bank-Directors, and to request a conference.

At a Meeting of Merchants, held at the London-Tavern, on Friday, the 31st Day of March, 1797:

Mr. ALDERMAN LUSHINGTON in the Chair:

RESOLVED, That, the Committee having adverted to their resolutions passed at the meeting on the 24th of this month, they think it necessary to resume the consideration of the same; and, though well satisfied with the sentiments declared on the matters of the said resolution by the Bank-Directors, they are of opinion, that it is important to the mercantile interest of the country, not in the view of individual accommodation, but upon admitted public principles, that the practice of discounts should be extended to and continued upon the scale stated in the resolutions of the 24th of March; and that, therefore, if the Bank of England be incompetent to afford this necessary and reasonable aid, it will be requisite that some other public establishment should be erected to supply the deficiency; at the same time anxiously wishing that this assistance to the commerce of the country may be derived through the old and customary channel, the Bank of England.

RESOLVED, That the Chairman be desired to send a copy of the above resolutions, together with the resolutions passed at the meeting of the 24th of this month, to the Minister, and to request a conference.

RESOLVED, That Mr. Petrie, Mr. Inglis, Mr. Brickwood, and Mr. Hunter, be desired to attend the Chairman at such conference.

Extracts from the Communications between the Directors of
the Bank and the Chancellor of the Exchequer, with
Respect to Advances to Government.

No. I. Extract from a Resolution of the Court of Directors, dated 15th of January,
1795.

That the Governor and Deputy-Governor do take an early opportunity of informing the Chancellor of the Exchequer, that it is their wish that he would settle his arrangements of finances for the present year in such a manner as not to depend on any farther assistance from them, beyond what is already agreed for; and, particularly, that the stipulation for the future advances to be made by them, if necessary, for payment of Treasury-Bills of Exchange, be strictly adhered to, as they cannot allow that advance to exceed the sum of five hundred thousand pounds.

No. II. In a Court of Directors, 16th of April, 1795.

The Governor and Deputy-Governor were directed to wait upon the Chancellor of the Exchequer, and to mention to him the uneasiness which they have felt on being left, during so long a period, in an advance of one and a half to upwards of two millions of money, for the bills accepted by the Treasury. That this mode of paying the Treasury-Bills in advance was never meant to be carried to any great extent, at most to £500,000, and that only as a temporary accommodation.

The Chancellor of the Exchequer did promise to the Governor and Deputy-Governor, in December last, and particularly in a conversation on the 17th of January, that the amount of those bills paid at the Bank, then exceeding the sum of £500,000, should certainly be paid off, after the receipt of the first payment on the new loan; which promise hath not yet taken place.* The Court have therefore come to a resolution, that they cannot in future allow of any disburse on this account exceeding the sum of £500,000; and they do request, that the Chancellor of the Exchequer will be pleased to order the same to be paid.

* The *promise*, but not the performance, had taken place.

Copy of a Note from the Governor and Deputy-Governor to the Chancellor of No. III.
the Exchequer.

Bank, 5th June, 1795.

The Governor and Deputy-Governor of the Bank present their respectful compliments to Mr. Pitt, and take the liberty of stating to him, that, though he was pleased to promise, the last time they had the honour of an interview, the amount of the Treasury-bills paid by the Bank should immediately be reduced to the sum of £500,000; (beyond which sum, by a resolution of the Court, it was not to pass;) the Bank are now in advance on that account £1,210,015 17s. 5d. and, before the end of next week, it will be increased to £1,658,467. They, at the same time, beg to express their concern at being so repeatedly obliged to trouble him on the subject, hoping he will give such directions as may in future prevent it.

Resolution of the Court of Directors on the 30th July, 1795.

No. IV.

RESOLVED, That the Governor and Deputy-Governor of the Bank be desired to inform the Chancellor of the Exchequer, that it is the request of this Court that he will either adopt some other mode of paying the Treasury-bills of Exchange, than by directing them for payment at the Bank; or so to arrange the furnishing of money for the payment of these bills, that the amount for which the Bank shall be in advance shall not at any time exceed the sum of £500,000; as this Court is determined to give orders to their cashiers to refuse payment of all bills whenever the advance shall amount to such sum of £500,000. That, previously, the Court is desirous of fixing on a certain day with Mr. Pitt when such order shall take place; but, in the mean time, depend on his former and repeated promise to reduce the present advance as speedily as possible.

The Governor's Report, and Resolution of the Court of Directors.

No. V.

August 6, 1795.

The Governor having laid before the Court a letter from the Chancellor of the Exchequer, which was received yesterday, at four o'clock in the afternoon, containing a request for a farther accommodation on the credit of the growing surplus of the Consolidated Fund:

D 2

RESOLVED,

RESOLVED, That the consideration of this letter be postponed; and that the Governor and Deputy-Governor be desired to wait on Mr. Pitt, and inform him, that this Court cannot take his letter into consideration until it has received satisfaction, respecting the re-payment of the moneys already advanced for payment of Treasury-bills of Exchange, to reduce that account under the stipulated sum of £500,000, above which the Bank was never to be in advance; and until it has had sufficient security held out that it shall not be called upon to make farther advances, on this account, in future; and that they do request Mr. Pitt to enter into a full explanation on this subject, which is not even touched upon in his letter.

7th August, 1795.

The Governor and Deputy-Governor this day waited on Mr. Pitt, at the hour he had appointed, when the Governor first observed to him, that his letter did not arrive in time to be taken into consideration by the Committee on Wednesday, and that it was, therefore, of necessity, laid before the Court on Thursday, without much previous consultation on it in the Committee. And the Governor then read to Mr. Pitt the following note, as containing the substance of what passed upon it in the Court: —

The Governor having laid before the Court a letter received yesterday afternoon from the Chancellor of the Exchequer, containing a request for a farther accommodation of two millions and a half, on the growing-produce of the Consolidated Fund:

RESOLVED, That the consideration of this letter be postponed; and that the Governor and Deputy-Governor be desired to wait on Mr. Pitt, and inform him, that this Court cannot fully take his letter into consideration until he has finally settled the arrangement notified to him last week, relative to the reduction of the amount of the Treasury-bills paid by the Bank, so that the sum advanced may never exceed £500,000, of which his letter makes not the least mention.

Copy

Copy of a Letter from the Chancellor of the Exchequer, and Resolution of No. VI.
the Court of Directors.

Downing-Street, August 12, 1795.

GENTLEMEN,

I have to request the favour of you to state to your Court, that, if they think proper to afford the accommodation which I have requested in my letter of the 5th instant, by taking Exchequer-bills, payable out of the growing produce of the Consolidated Fund, they may depend upon measures being immediately taken for the payment of one million of the sum they have advanced for the payment of bills; and farther payments, to the amount, in the whole, of another million, may be made in the course of the months of September, October, and November, in such proportions as may be found convenient. But, as fresh bills may be expected to arrive, I am under the necessity of requesting that a latitude should be allowed for the payment of such bills, to an amount not exceeding one million; in addition for which sum, payment shall be provided before the end of February, or, if the Court materially prefer it, of January. In order to guard against any fresh disappointment, I beg leave to suggest, that it may be useful if, from time to time, you send me notice whenever the amount advanced comes within £50,000 of the limit fixed, that warrants may be prepared without delay.

I am, &c.

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

IT WAS RESOLVED, That this Court do not accede to the proposal contained in the said letter.

IT WAS FARTHER RESOLVED, That the Court do consent to Mr. Pitt's request, in his letter of the 5th instant, namely, To advance £2,500,000 on Exchequer-Bills, on the security of the surplus of the Consolidated Fund, to be repaid as follows: —

About £1,100,000 from the produce of the quarter ending the 10th of October next; and, for the remainder, they are willing to wait till the ending of the quarter of the 5th of April, 1796.

And

And that the Governor and Deputy-Governor be desired to inform Mr. Pitt that the Court still adhere to their former resolution of insisting that the credit on Treasury-Bills of Exchange be restrained to £500,000; but that the Court will wait for the re-payment of one million of the money already advanced beyond the sum of £500,000 until the latter-end of November, (if it is of essential service to the Government of the Country that it should do so,) provided positive assurances be given, by the Chancellor of the Exchequer, that this additional million shall be punctually repaid at that time; and that, in no case, if this proposition is acceded to, the Bank is to be in advance beyond one million and a half for the payment of Treasury-Bills, which, by the end of November, are to be reduced to £500,000.

The Court also request, that the Governor and Deputy-Governor will express to Mr. Pitt the earnest desire they have that some other means may be adopted, in the next Session of Parliament, for the future payment of Bills of Exchange drawn on the Treasury.

When the last resolution was proposed to the Court, Mr. Winthrop moved the following amendment, and was seconded by Mr. Simeon, to be added after the words "Consolidated Fund," and to leave out the remainder.

" Provided, at least, two millions of the same shall be applied to the discharge of the sum for which the Bank is now in advance on account of Treasury-bills of Exchange, it being the intention of this Court to restrain the amount of such advance to the sum of £500,000, agreeably to their former resolutions."

The said amendment, being put to the vote, was negatived; and the resolution, as first moved, was carried in the affirmative.

Interview with the Chancellor of the Exchequer.

14th August, 1795.

The Governor and Deputy-Governor, in compliance with the desire of the Court, waited this day on the Chancellor of the Exchequer, to signify to him that his letter, of the 12th instant, had been duly considered; and that it was resolved, that the proposals it contained could not be acceded to; and to communicate to him the farther resolution of the Court, respecting his request, in his letter of the 5th instant, as minuted in the book yesterday. — The Governor put into his hands a copy of the two resolutions, which Mr.

Pitt

Pitt read attentively, and returned, soon after, with a letter, written, by himself, at the request of the Governor and Deputy-Governor, signifying his acquiescence in the above resolution, and promising punctually to comply with the conditions stipulated therein.

Copy of a Letter from the Chancellor of the Exchequer.

Downing-Street, 14th August, 1795.

GENTLEMEN,

I have to request the favour of you to inform your Court that I agree to the conditions specified, in their resolution of yesterday (see the note of the 13th of August), for the advance of two millions and a half on the credit of the Consolidated Fund, and will take care that they shall be punctually complied with. — I return the paper containing the resolution, and am,

Gentlemen, &c. &c. &c.

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

Extract from a written Paper delivered to the Chancellor of the Exchequer. No. VII.

Bank of England, 8th October, 1795.

Ever ready as the Court of Directors have been to accommodate and to give their assistance to the service of the public, they must now express their hopes that Mr. Pitt will, on the meeting of Parliament, so arrange his plans of finance as not to depend on the immediate advance of the duties on land and malt, 1796; and that he will be pleased to provide the means of reimbursement to the Bank, conformably to his agreement, of the million on account of Treasury-bills, and the £1,100,000, part of the advance on the product of the Consolidated Fund, in case it shall not have been previously paid; and also to reimburse the remaining £1,400,000, on the same product, in January or February, instead of April.

Interview

No. VIII.

Interview with the Chancellor of the Exchequer.

23d October, 1795.

The Governor mentioned, that he had heard that there might be annexed to the ensuing loan one of £1,400,000 to the Emperor of Germany; and stated, that, in such a case, it would be proper for the Bank to have some intimation of it, that they might adopt such arrangements as the measure would render absolutely necessary. The Chancellor of the Exchequer replied, that he had not, at present, the most distant idea of it; though he did not pledge himself that, on no occasion, such a thing might happen. The Governor thanked him for his answer, which, he told Mr. Pitt, he received with pleasure, thinking, as he did, that another loan of that sort would go nigh to ruin the country. The Governor also acquainted him, that the drain of cash continued, and was likely to do so, while the bills from abroad continued to be drawn on the Treasury. Mr. Pitt said, they might last two months longer, but he believed not longer.

No. IX.

Interview with the Chancellor of the Exchequer.

18th November, 1795.

The Governor informed Mr. Pitt that the present price of gold was £4 2s. per ounce, and that the daily large drains of specie from the Bank filled the minds of the Directors with serious apprehensions; and that, in the present situation of affairs, he must not rely on any aids from them, not even on the Vote of Credit and Supply Bills.

The Chancellor of the Exchequer apologized for the warrants, that were designed to be applied to the reduction of the amount of the Treasury-bills, paid by the Bank, having, from the most urgent necessity, been otherwise applied to the payment of the troops going abroad. With respect to the million which he had promised should be paid in the course of this month, in farther reduction of the Treasury-bills, he said his intention was to take out that sum in part of the land and malt, 1796; and to pay it on this account, having no other means to do it by.

Resolution

Resolution of the Court of Directors.

No. X.

20th November, 1795.

The Court of Directors having, on a consideration of the advances proposed by the Chancellor of the Exchequer on the land and malt, 1796, resolved to let him have one million, under the restriction that it be immediately applied to the discharge of so much of the Bank's advance on Treasury-bills; and, also, a farther advance of £500,000 for his present accommodation; the Governor and Deputy-Governor went, as soon as the Court was over, to wait on the Chancellor of the Exchequer, to acquaint him thereof. But, at the same time, the Governor mentioned to him, that it was the expectation of the Court that he should not take up any more on this fund until about February next, and then gradually, as the advance on the former year would be coming in. The Governor also said, that, from the present situation of matters at the Bank, and from the appearances for the future, it would be absolutely out of the power of the Court to make the advance, which had been done before, of £2,500,000 on the Vote of Credit which might be passed this Session; and he felt it right to announce this in time to Mr. Pitt, before the loan, that he might make his arrangements accordingly; which Mr. Pitt thanked him for having mentioned; said he supposed he might venture to issue about £1,500,000 of such Exchequer-bills to the public; and that he must provide for the other million by an addition to the Loan. The Governor then repeated to Mr. Pitt the absolute determination of the Court to have the advance on the Treasury-bills quite cleared off, by an early payment out of the money received in part of the loan.

Interview with the Chancellor of the Exchequer.

No. XI.

12th December, 1795.

In consequence of a message from the Chancellor of the Exchequer, the Governor and Deputy-Governor waited upon him this day, when he returned to them the paper containing the copy of the Court's resolution made on the 3d instant.

The Governor renewed the subject of the payment of the Treasury-bills to Mr. Pitt, which amount now to £2,670,000; but Mr. Pitt said, the money hitherto received, on account of the present loan, should be applied to the payment thereof, and a farther sum out of the payments in full, until that advance was reduced to £500,000.

No. XII.

Interview with the Chancellor of the Exchequer.

8th January, 1796.

The Governor and Deputy-Governor this day waited on the Chancellor of the Exchequer, by his desire, when he mentioned to them his request, that the Bank would accommodate him with an advance of £500,000, which he wanted for the purpose of paying off sums due to the army-agents, and for which he would pledge Exchequer-bills on the land and malt of the present year; and, if the payments made upon the loan of this year should amount, in all, before the end of this month, to above £5,800,000, the excess beyond that sum, as far as £500,000, should be employed in repaying the Bank's advance on the Exchequer-bills, or the credit of the growing-produce of the Consolidated Fund for the service of last year.

The Governor told Mr. Pitt, that he did not think the Court would object to such an advance, and desired him to write an official letter, in time, to be laid before the next Court for that purpose.

Mr. Pitt said, he had an immediate necessity for £200,000; which the Governor said he might take up directly, not doubting it would be approved of by the Court of Directors.

No. XIII.

The Governor's Report, and the Resolution of the Court of Directors.

28th January, 1796.

The Governor having informed the Court, that a notice was this morning brought from the Treasury, that certain Bills drawn on the Commissioners of the Treasury, amounting to the sum of £201,000, would fall due on Wednesday, the 3d of February, and were directed for payment at the Bank, and that the sum now in advance on Treasury-bills is £1,157,000:

RESOLVED

RESOLVED UNANIMOUSLY, That the Governor give directions to the cashiers not to advance any money for the payment of these bills, nor to discharge any part of the same, unless money shall be sent down for the purpose; in which case, such money shall be appropriated exclusively to the discharge of these bills.

RESOLVED, That the Governor, and Deputy-Governor, and a deputation from this Court, do wait on the Chancellor of the Exchequer with a copy of the above resolution; and do farther respectfully lay before him the determination of the Court, not to continue any longer the mode of advancing the payment of Treasury-bills of Exchange, than till such time as shall be fixed on between Mr. Pitt and the deputation before-mentioned, which time the Court hopes will not be fixed for a distant day.

Interview with the Chancellor of the Exchequer.

No. XIV.

29th January, 1796.

The Governor and Deputy-Governor, with Mr. Peters and Mr. Bosanquet, waited on Mr. Pitt this day with the resolution of the Court, as stated in the foregoing Minute.

He dwelt much on the inconvenience it would put him to to comply with it; but, after some conversation, said he would arrange his affairs so as to provide the money in time for the payment of the Treasury-bills due on the 3d of February, by applying to that purpose money he had destined for other services.

As to fixing a period when the payment of the Treasury-bills shall no longer be referred to the Bank, Mr. Pitt declared himself unable to settle that at so short notice; but that he would look into the situation of his payments, and endeavour to form such a plan as soon as possible; and he hoped to be able to conclude it by Friday, the 5th of February, when he would expect to see the deputation again.

Deputation wait on the Chancellor of the Exchequer the 5th of February, No. XV.
1797.

The Governor, Deputy-Governor, Mr. Peters, and Mr. Bosanquet, this day waited upon Mr. Pitt again, according to appointment, to hear his determination about the latter part of the Court's resolution, on the 28th ultimo, as to fixing

a time when the present mode of paying the Treasury-bills of Exchange in advance should be brought to a period. Mr. Pitt, after much conversation on this subject, said, that measures were now taking for paying £500,000 more on this account, which would reduce their advance on this score to under £200,000; but that, as matters were situated, he could not foresee a possibility of paying the remainder, and quite finishing the account, till May or June next. Mr. Pitt, however, said he would digest his ideas on this subject more particularly, and send a letter, with a proposal, to the Bank Court against next Thursday.

No. XVI.

Interview with the Chancellor of the Exchequer.

12th February, 1796.

The Governor told Mr. Pitt, that the Court had received his letter of the 11th instant, and would comply with his desire of continuing to pay the Treasury-bills, as usual, till May, when he hoped it would be totally done away, and that he might look to a temporary accommodation of £500,000 in the interval; but absolutely required it should never exceed that sum.

Mr. Pitt said, that, as far as was in his power, it should not exceed it; but that demands did arise occasionally which he could not foresee, but which the public service required to be provided for; and, if the money from the Loan did not flow in fast enough, he might be obliged to have recourse for temporary assistance to the Bank; and that it lay with the Court of Directors to judge whether they chose to accommodate the Public or not.

No. XVII.

Interview with the Chancellor of the Exchequer.

11th April, 1796.

The Governor and Deputy-Governor this day waited on the Chancellor of the Exchequer at his desire; when he informed them, that he meant to propose in Parliament a farther loan of about six millions and a half, in order to fund the four millions of Exchequer-bills which the Bank holds on the supply and vote of credit, 1795; two millions of Exchequer-bills which have issued to the public; and about half a million, the amount of Navy-bills, held by the Bank, due in the months which he means to fund them; but which the Governor had informed Mr. Pitt that the Bank chose to have the payment of. Mr. Pitt said, he hoped

hoped to bring this matter before the House on Monday next, the 18th instant, and would desire the Governor and Deputy-Governor to come, on some day this week, to a previous meeting with the parties who were to be concerned in this business.

The Governor's Report, and Resolution of the Court of Directors.

No. XVIII.

19th May, 1796.

The Governor having informed the Court, that the present advance on Treasury-bills of Exchange is £835,000, beyond which there is notice, now lying in the House, of a farther sum of £200,000 which will shortly become due; and that a notice was brought, on Monday last, from the Treasury, containing a list of bills drawn on the Commissioners to the sum of £900,000 more, of which the principal part would fall due on the 29th instant, which were directed for payment at the Bank; the Court resolved, That a representation in writing should be made to the Chancellor of the Exchequer on the subject.

Interview with the Chancellor of the Exchequer.

No. XIX.

24th May, 1796.

In consequence of an appointment from the Chancellor of the Exchequer, the Governor and Deputy-Governor waited upon him this day, with a view to lay before him the resolution entered into by the Court on the 19th instant; but they found him so impressed with the necessity of providing the funds to pay off the Treasury-bills for £900,000, and that he had formed his plan for the liquidation thereof, that they thought it prudent to withhold the resolution from him.

Mr. Pitt explained his measure in the following letter, to the Governor and Deputy-Governor, which he wrote while they were with him, viz.

Downing-Street, 25th May, 1796.

GENTLEMEN,

I beg leave to acquaint you, for the information of your Court, that a warrant is directed for the payment of £900,000 for the payment of the Bills to become due to that amount in the course of the present week. I must at the same time

time desire you to request of the Court, in consequence of the pressure arising from this unexpected payment, that they will accommodate Government by advancing a sum of £200,000, to the account of the Paymaster-General, to be repaid out of the cash to be received on the next payment of the loan of £7,500,000.

I have the honour to be, &c.

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

The Governor afterwards mentioned, in conversation, the desire of the Court to have the new arrangements made which should ease the Bank from the payment of the Treasury-Bills; the promise to which point Mr. Pitt acknowledged to have made; but, being excessively hurried with a variety of business, and about to set off to attend the election at Cambridge, he desired leave to defer this object until some time next week, after his return, when he should resume it.

No. XX.

Interview with the Chancellor of the Exchequer.

14th June, 1796.

The Governor and Deputy-Governor this day waited upon Mr. Pitt with a statement of Treasury-bills paid by the Bank, which advanced now to the sum of — — — — — £1,002,555 : 6 : 4
And of bills already advised, but not yet due — — — — — 230,093 : 16 : 1

£1,232,649 : 2 : 5

and requested that speedy measures might be taken to pay off the same. Mr. Pitt told him, that he had made arrangements to pay off the £200,000 which he had borrowed, (as by his of 25th May, copied in the private minute-book of the Court,) and also for the payment of £800,000 out of the moneys received on the last loan, for which he would take up Exchequer-bills to that amount on the vote of credit, 1795; and, in consequence of these payments, he hoped the Bank would have patience to wait for the discharge of the advance on the Treasury-bills above-mentioned until the quarter ending the 5th of July, of the Consolidated

solidated Fund, when the surplus thereof should be applied to that purpose: which the Governor said he should refer to the Court for their opinion.

Copy of a Letter from the Chancellor of the Exchequer, and Resolutions of the No. XXI.
Court of Directors.

Downing-Street, Wednesday, 20th July, 1796.

GENTLEMEN,

As the pressure of demands for the public service, at the present moment, prevents the payment in cash of the sum advanced by the Bank on Treasury-bills, I should consider it as a great accommodation if the Court would accept of Exchequer-bills, on the vote of credit, to the amount of the sum now due beyond five hundred thousand pounds. I would also beg the favour of you to propose to the Court, in order to guard against any farther excess on that point, that any farther sums to be advanced for Treasury-bills should be paid in Exchequer-bills, on the credit of the Consolidated Fund, at the end of each month. I am also under the indispensable necessity of expressing my earnest hope, that the Court will be induced to make a present advance of eight hundred thousand pounds on the credit of the Consolidated Fund, which will enable me to make provision for the present demands, and to pay immediately four hundred thousand pounds lately advanced by the Bank, and the Navy-bills now due. I shall also be obliged to request a farther advance of the like sum of eight hundred thousand pounds, on the same security, towards the end of the month of August. It gives me much concern to be obliged to apply for an accommodation to so large an extent; but I cannot too strongly represent how necessary it is for the public service; and I trust the very large repayments, which are secured to the Bank, in the course of the present year, will admit of their making these temporary advances at a period when they are particularly important.

I have the honour to be, Gentlemen,

Your most obedient humble servant,

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

P. S. In

P. S. In case the Bank should find it necessary (which I hope will not be the case) to dispose of any of the Exchequer-bills, on the vote of credit, before provision is made for their discharge, and any loss should arise from their being at a discount in the market, I should, of course, propose that such a loss should be made good by the public.

After a debate on the subject of this letter, the Court came to the following resolutions thereon:

RESOLVED, That this Court do consent to receive payment for the amount of the advances on the Treasury-bills which have been and shall be paid before the 1st of August, beyond the sum of £500,000, and which will be £867,700 in Exchequer-bills, issued on the vote of credit of the present year, under the stipulation of indemnity from loss, proposed by Mr. Pitt, and to wave their claim of repayment of the £500,000 till the meeting in Parliament, when the Court will expect that this mode of paying Treasury-bills of Exchange shall be totally done away.

RESOLVED, That the Court do not consent to advance any more money for the payment of such bills which fall due after the 1st of August.

RESOLVED, That the Court do consent to the other part of the letters, to advance the sum of £800,000 on the credit of Exchequer-bills on the credit of the Consolidated Fund, on condition of being paid off the £400,000, lately advanced to Government, and the Navy-bills due and coming due; but they do not consent to advance the second sum of £800,000 in the month of August.

The Governor, Deputy-Governor, with Mr. Darell and Mr. Samuel Thornton, were desired by the Court to carry up these resolutions to the Chancellor of the Exchequer; which they did as soon as the Court broke up. And, being admitted, they gave a copy of the resolutions to Mr. Pitt, who, after having attentively read them over, said, "He was obliged to the Court for what they did grant, which he
 " should accept of; but added, that it would be of no material use, in the present
 " circumstances of the nation, unless the other requisitions he had made were com-
 " plied with. That he must refer the affair again, in a more pointed manner, to
 " the re-consideration of the Court, which he would do in a letter to be sent to
 " the Bank next Tuesday morning, for the previous deliberation of the Com-
 " mittee; and that he would be glad to see the Governor and Deputy-Governor
 " again before the next Court should meet."

Copy

Copy of a Letter from the Chancellor of the Exchequer, and Resolutions of No. XXII.
the Court of Directors, 28th July, 1796.

Downing-Street, Wednesday, July 27, 1796.

GENTLEMEN,

After attentively considering the resolutions of your Court, which I received from you on Thursday last, I feel it an indispensable duty, however unwilling I may be to urge any request which appears to them liable to any difficulty or objection, to represent to you, in the most earnest manner, that it will be impossible to avoid the most serious and distressing embarrassments to the public service, unless, in addition to the accommodation which has already been agreed to for the present month, the Court can consent to advance the second sum of £800,000 in the month of August, and can also make provision for the payment of such farther Treasury-bills as may fall due in the next month, or as may be drawn payable in September or October. With respect to those for the two latter months, as none such have yet been accepted, I should hope an arrangement may be made for accepting them, payable in a period subsequent to October, by which means the inconvenience of the advance may be possibly, in a great degree, obviated. I must request you to take the first opportunity of laying this application before your Court, and state to them, that objects of the utmost importance to the public are involved in their determination upon it.

I have the honour to be, Gentlemen,

Your obedient humble servant,

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

RESOLVED, That this Court do agree to advance, for the service of the public, the sum of £800,000 towards the end of the month of August, on the security of Exchequer-bills, to be issued under the Act of Parliament, on the surplus of the Consolidated Fund; and that such Treasury-bills as have been accepted, and shall fall due during the month of August, be likewise discharged on a deposit of like Exchequer-bills to be issued on the Consolidated Fund to an equal amount, which bills have been stated by the Chancellor of the Exchequer to be about the sum of £300,000.

F

That

That the Court do not engage to advance for any sum of Treasury-bills, which may be drawn and shall fall due after the month of August.

That this Court do expect, that the Chancellor of the Exchequer will give a promise that a new mode of paying the Treasury-bills shall be adopted immediately on the meeting of Parliament, as this Court will not continue the mode of discharging them any longer.

RESOLVED, That this Court, having granted this accommodation with great reluctance, and contrary to their wishes, the Governor be desired to present to Mr. Pitt a copy of the following memorial; and request of him, that, for the satisfaction of the Court of Directors, the same may be laid before his Majesty's Cabinet.

The Court of Directors of the Bank of England, fully sensible of the alarming and dangerous situation of the public credit of this kingdom, and deeply impressed by the communication lately made to them by the Right Hon. William Pitt, both by letter and in a conference with the Governor and Deputy-Governor, are very willing and desirous to do every thing in their power to support the national credit, and to enable his Majesty's Ministers to carry on the public service; but, in complying with the request made to them by the Right Hon. William Pitt, in his letter of the 27th instant, they think they should be wanting in their duty to their proprietors, and to the public, if that compliance was not accompanied with the following most serious and solemn remonstrance; which, for the justification of their Court, they desire may be laid before his Majesty's Cabinet:

“ They beg leave to declare, that nothing could induce them, under the present
 “ circumstances, to comply with the demand now made upon them, but from the
 “ dread that their refusal might be productive of a greater evil, and nothing but
 “ the extreme pressure and exigencies of the case can in any shape justify them for
 “ acceding to the measure; and they apprehend that, in so doing, they render
 “ themselves totally incapable of granting any farther assistance to Government
 “ during the remainder of this year, and unable even to make the usual advances
 “ on the land and malt for the ensuing year, should those bills be passed before
 “ Christmas. They likewise consent to this measure, in a firm reliance that the
 “ repeated promises, so frequently made to them, that the advances on the Treas-
 “ ury-bills should be completely done away, may be actually fulfilled at the next
 “ meeting of Parliament, and the necessary arrangements taken to prevent the
 “ same from ever happening again, as they conceive it to be an unconstitu-
 “ tional

* tional * mode of raising money, what they are not warranted by their charter to
“ consent to, and an advance always extremely inconvenient to themselves.”

Interview with the Chancellor of the Exchequer.

No. XXIII.

9th August, 1796.

Some lifts of Treasury-bills accepted, payable at the Bank, of which about £37,000 fall due in September and October, being brought down to the Bank, the Governor and Deputy-Governor this day waited on Mr. Pitt, to mention this matter to him; and to remind him, that the Court had resolved not to pay any bills on the Treasury due in those months, unless provision was made for the same by the Treasury. Mr. Pitt thanked them for their attention, and told them, it was meant to prepare money at the Bank for the discharge of those bills.

At a Court of Directors at the Bank, on Thursday, 3d November, 1796: No. XXIV.

The Governor having received the following letter from the Chancellor of the Exchequer, viz.

Downing-Street, November 3, 1796.

GENTLEMEN,

I have to request you to represent to your Court, that it will contribute essentially to the public service, if they think proper to advance the amount (as it may

* Yet, from the 1st of January, 1795, to the 28th of July, 1796, the date of this representation, the Court of Directors had advanced on Treasury-bills of Exchange — — £10,338,000
And, from this day to the 26th of February, 1797, they did afterwards advance 2,700,000

In all, since the 1st of January, 1795, — — — — £13,038,000
Of which there remained unpaid on the 26th of February, 1797, — — 1,512,274

On the day of the date of this representation, Navy and Victualling Bills sold at a discount of $9\frac{5}{8}$ per cent. and bore an interest of five per cent.; that is, about five and a half per cent. on the sum paid for the £100, viz. £90:7:6, yielding altogether an interest at the rate of fourteen per cent. per annum; and the purchase of these bills was *lawful*. Advances on Treasury-bills of Exchange, payable in no limited time, and bearing only five per cent. interest, were, *in the opinion* of the Court of Directors, *unlawful*; yet they preferred the latter, and advanced the proprietors' money upon them. See Act 33 Geo. III. chap. 32, sect. 6, in the Appendix.

be wanted) of Exchequer-bills usually raised on the land and malt; and that I shall, in that case, be enabled to make provision for the payment of the balance now due on Treasury-bills, at such time, and in such proportions, as may be agreed upon by them.

I have the honour to be, Gentlemen,

Your obedient humble servant,

(Signed) WILLIAM PITT.

RESOLVED, That the Lords of the Treasury be accommodated with the sum of £2,750,000, on the land and malt taxes, 1797, on the following conditions: the sum of £1,513,345 19s. 7d. already advanced by the Bank on Treasury-bills of Exchange, be paid thereout; and that all the Treasury-bills, directed to be paid at the Bank, which shall fall due in the months of November and December, shall be discharged and satisfied by money to be sent down for that purpose; and that, from the 1st day of January, 1797, provision shall be made, on notice that bills have been accepted to the amount of £100,000, that money, on Exchequer-bills, to that amount, shall be issued to the Bank three days before the whole sum becomes due.

The Governor was desired to inform the Chancellor of the Exchequer with the above resolution; and, at the same time, mention to him, that the Court intended to adhere strictly to these terms, and hoped he would give directions that no alterations should take place respecting them.

No. XXV.

Interview with the Chancellor of the Exchequer.

1st February, 1797.

The Governor and Deputy-Governor yesterday waited upon the Chancellor of the Exchequer, to represent to him how uneasy the Court were at their large advances for Government, and especially on the Treasury-bills paid, which now amounted to £1,554,635, and would, in a few days, be augmented to £1,819,818, and required that some effective measure should be immediately taken for the payment of the whole of this sum, as had been so seriously promised them at the beginning of this year.

Mr. Pitt acknowledged his intentions, and wished to have done it; but said he had been prevented by the very pressing calls for various other services.

vices. He said, however, he would consider over his payments and resources, and would endeavour to form some plan, for the repayment of the Treasury-bills, against the next day, when the Governor and Deputy-Governor were to wait upon him again about the business of the National Stock. Accordingly, this day, Mr. Pitt resumed the subject, and said, that he was endeavouring to sell Exchequer-bills, out of which he hoped to be able to pay about £300,000 at present; which the Governor wished him to do, that the Bank might be provided for the bills now falling due. Mr. Pitt said, that, as to future payments, he believed he could propose to pay, every week, about £150,000, or in that proportion, until the whole sum now due was paid off. Mr. Pitt, however, hinted, in conversation, that another large sum of bills had appeared from St. Domingo. The Governor begged he would give an idea to what amount they were. He said, about £700,000; on which the Governor expressed great apprehension about such an access to the present advance, and begged of Mr. Pitt to put off the acceptance of those fresh bills, or, at least, to protract the acceptance of them, to a term of two months beyond their time;* which, he said, he would consider about, and take his resolution. The Governor then desired Mr. Pitt to write a letter officially to him, and he would lay it before the Court, and take their resolutions upon it. Mr. Pitt then hinted he should want some money to send to Ireland; that he had been applied to for a very large sum, but that £200,000 in specie would be necessary. The Governor and Deputy-Governor both told him, that any farther drain of cash from the Bank would, in these times, be very dangerous, as they acknowledged that the cash had been very ma-

* With all deference to the Court of Directors and to Mr. Giles, I do not think this was good advice. Mark the consequence, if it had been followed: — If these bills, which had been drawn from abroad by agents authorized by Government, had been dishonoured at the Treasury, either by being refused acceptance or their term protracted beyond what had been agreed for, not a shilling afterwards would be obtained upon Government-bills: specie must, ever after, be remitted hence for the public service abroad, at great risk of loss and disappointment. The persons abroad, who had advanced their money for those bills, would have been ruined; and their correspondents here, to whom they were remitted, and who, in expectation of such remittance, might have accepted bills to a corresponding amount, would have become bankrupts. The bills would have been protested, and returned upon the drawers, with heavy charges of re-exchange and interest.

terially

They desired, that a deputation of the Governor and Deputy-Governor, Mr. Bosanquet and Mr. Thornton, should go up to Mr. Pitt, and request, that, if the Irish loan must take place, he would undertake first to arrange the repayment of the above sum to the Bank, as the only means which the Committee can propose for the defence of the Bank against the mischiefs they dread from the Irish loan.

And the Committee also desired, that, if necessary, a Special Court of Directors might be summoned to meet, on this business, on Monday next, at twelve o'clock, that the business may be brought before the Court.

In consequence of the above resolution, the Governor, and other gentlemen deputed, went to Mr. Pitt, shewed him the statement of the Bank's demands on Government, which they wished to have paid off, or so arranged, before the settlement of the Irish loan. Mr. Pitt, on the article of the Treasury-bills, said, that he had already laid his plan for the discharge of that article, which he meant to adhere to, and that, therefore, this article might be left out of the present arrangement; and that he would lay his plan, for the liquidation of the rest, by an addition to the late voluntary loan, or by some other measure, as might be most forcible.

The deputation pressed on him the necessity of attending, in his plans, to the point of making the payments to the Bank precede those which might be fixed for the Irish loan. They also informed him of their intention to call a Special Court of Directors, to impart the business to them, which might be held on Monday or Tuesday next, as might best suit Mr. Pitt. He begged it might be called on Monday, as he said that Mr. Pelham, the Secretary of State for Ireland, had been here some days on this business, and that it was of the utmost consequence that the matter should be fixed, and advice sent over to that country of it as soon as possible. On which, the Governor told Mr. Pitt that a Court of Directors should be summoned on Monday; and requested, that he would furnish him with a letter, explanatory of the business to be laid before the Court, which Mr. Pitt promised should be sent to the Bank either to-morrow or on Sunday.

No. XXVIII. Copy of a Letter from the Chancellor of the Exchequer, and the Opinion of the Court of Directors, 16th February, 1797.

Downing-Street, 15th February, 1797.

GENTLEMEN,

Since our last conversation, I have turned my attention to an idea, that has been suggested to me, of raising the money wanted for Ireland as part of one loan, together with that which may be requisite here, and of leaving the time and mode of remittance to be settled between the English and Irish Governments, according to circumstances. Such a measure might possibly prevent some inconvenience which would arise from there being, otherwise, two loans in the market at the same time, and might also give better means of regulating the remittance in the manner least inconvenient. It would, at the same time, hardly fail to be acceptable to Ireland, as it would probably procure money for them at a much cheaper rate than they could otherwise borrow it. I have to request the favour of you to learn the sentiments of your Court on this point, and to communicate to me the result.

I have the honour to be, &c. &c. &c.

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

After a debate, on the subject of this letter, it was the opinion of the Court, that it might be better for the Minister of this country to have the control over the remittance of the sum intended for Ireland, than, by an open loan for Ireland, to leave in the power of that Government to draw the money away, without any consideration of the case of the Bank. And the Governor and Deputy-Governor, and Mr. Samuel Thornton, were desired to wait on Mr. Pitt, with the following observation on his letter, as directed by the Court:

“ It is the opinion of this Court, that the plan of adding, to the intended
“ English loan, the sum that has been proposed to be raised here for the
“ Government of Ireland, and of making the remittances at such periods,
“ and in such a manner, as may be least inconvenient, as preferable to the
“ raising

“ raising an Irish loan, in England, by itself, and fixing the payments and
 “ remittances in a manner which cannot be varied according to circum-
 “ stances.

“ But the Court must repeat their apprehensions, that any measure which
 “ tends to carry money out of the country is replete with alarming consequences
 “ to the Bank of England.”

The paper containing the above was accordingly carried up to Mr. Pitt, who read it with attention, and then returned it.

RESOLVED, That it is the opinion of this Court, that the Treasury-bills of No. XXIX. Exchange shall be paid, which will become due in the course of next week, to the amount of £150,000; but that no other Treasury-bills of Exchange shall be paid by this House until money be issued to the Bank to pay the same.

Additional Continuation of No. XXVI.

No. XXX.

3d February, 1797.

The Governor mentioned to Mr. Pitt the great distress and inconvenience which the Bank, the bankers, and the public, suffered for want of a fresh coinage of silver, and requested the Chancellor of the Exchequer to take some early measures for a redress thereof by a new coinage, at least some part of what would be wanted.

Interview with the Chancellor of the Exchequer.

No. XXXI.

8th February, 1797.

The Governor and Deputy-Governor this day waited upon the Chancellor of the Exchequer, by his appointment, when he mentioned to them that he was exceedingly pressed, by the Government of Ireland, to allow them to raise a loan in this country, and he thought about £1,500,000 would be the sum. He knew it would be a difficult and unpleasant matter to be carried through; but thought it right to speak to the Governor of the Bank about it. The Governor immediately told Mr. Pitt, that such a scheme must have the worst effect possible; that it would cause the ruin of the Bank; for, that such a loan, raised here, would all be sent over in money to Ireland, and would drain much of our specie from us. Mr. Pitt desired, that the matter might, at present,

sent, be only communicated to the Committee of Treasury, but not to the Court of Directors, which the Governor promised to do,* and to wait upon him again to-morrow, with Mr. Puget, as Mr. Pitt wished to speak to him also on the subject.

No. XXXII. Report of the Governor, and Interview with the Chancellor of the Exchequer.

9th February, 1797.

The Governor this day communicated to the Committee the circumstance mentioned by Mr. Pitt yesterday about a farther loan to Ireland, which struck them all as likely to produce the most disastrous consequences to the House. And the Committee joined in opinion fully, that the Governor, in his interview with Mr. Pitt to-day, should tell him, that, under the present state of the Bank's advances to Government here, such a measure would threaten ruin to the House, and must probably bring us under the necessity to shut up our doors.

After the Court, this day, the Governor, with Mr. S. Thornton (as the Deputy could not attend), and Mr. Puget, waited on Mr. Pitt, who told them, that, notwithstanding the difficulties and dangers which they foresaw by his carrying into execution a farther loan for Ireland, he found it to be a measure of Government absolutely necessary; but that he would do every thing he could to obviate the difficulties, by making the Bank more easy in other points; and he proposed to raise, by an addition to the present voluntary loan, or by other means, with the consent of the Subscribers to that loan, whatever sum the Bank might desire to be paid off from its advances to Government. He proposed this from an opinion that it was possibly in the power of the Bank to render itself safe by the diminution of its outstanding notes; and he added, that he wished this reduction of their notes to be effected by a diminution of their advances to Government rather than by lessening their commercial discounts.

* It would appear, that this Committee of Treasury are a sort of *imperium in imperio*; that they keep a private book; and that the other Directors are only intrusted with such secrets as the Committee of Treasury think proper. The Court of Directors retaliate with interest upon the Court of Proprietors, by intrusting them with none of any kind.

On the Governor stating, that, on the event of the measure of an Irish loan being effected here, the Bank would probably think it necessary to restrain their advances, both to the Government and to the public, by way of discount: *Mr. Pitt answered, he had rather pay back five millions to the Bank than that they should restrain their discounts three millions, or to that effect.*

Mr. Pitt proposed, that the repayment to the Bank should be made proportionate to the instalments on the Irish loan, or to exceed them considerably, if desired. Also, that no discount, for prompt payment, should be made on the Irish loan.

On their return from Mr. Pitt, the Governor ordered a Committee to be summoned, to meet to-morrow, on *very special affairs*, at ten o'clock.

Letter from the Chancellor of the Exchequer, with the Resolution of the Court No. XXXIII. of Directors, and Deputation appointed.

13th February, 1797.

At a Court of Directors held this day, on special affairs, the Governor laid before the Court the matter which had been proposed to the Committee of Treasury by Mr. Pitt, and which had been the subject of the several minutes of the Committee on the 8th, 9th, and 10th, instant, in their private book; and the Governor read to the Court the following letter, which he had received from the Chancellor of the Exchequer, viz.

Downing-Street, February 10, 1797.

GENTLEMEN,

I have to request you to acquaint your Court, that, from the representations received from Ireland, it appears indispensable for the public service, that a loan should be raised here for the use of that Government to the amount of £1,500,000, on which I understand a considerable deposit will be requisite about the end of March. I am fully sensible, that, in the present situation, such a loan might produce great temporary inconvenience here; and, unless some measures were adopted to guard against its possible effects, might make it appear necessary for the Bank, from prudence and precaution, to restrain the accommodation which they now give to the commerce of the country within much narrower limits than is desirable. In order to avoid this great inconvenience, and, at the same time, to

*importance
de discount
à Mr. Pitt*

be enabled to provide for the urgent demands from Ireland, which are connected with the greatest interest and safety, and to prevent farther embarrassments in the vigorous exertions which the present crisis may require, it may, I think, be expedient to propose to Parliament to raise money sufficient to pay off six or (if it should be thought necessary) seven millions (including the Treasury-bills) of the sum now out-standing, due from the Public to the Bank. So great a reduction of their advances must, I trust, render them much more at ease as to the effect of their other operations. I wish, also, to have it understood, that I should propose the re-payments to be received by the Bank to take place by instalments, at least as early, and to as great an amount, as any remittance that could be made to Ireland under the instalments to be made for that loan. I shall be extremely glad to know the sentiments of the Court on this subject, and to confer with you, and any other Gentleman of the Court, on any point which may require explanation, and on the best means of carrying the measure into execution, if it meets with the concurrence of the Court.

I have the honour to be, &c. &c. &c.

(Signed) WILLIAM PITT.

Governor and Deputy-Governor
of the Bank.

The Court received this communication with great uneasiness, from the apprehension of the bad consequences which would, in all probability, arise to the Bank from the remittance of such a sum to Ireland, and the great drain of cash it would occasion;* and, after a very serious debate upon the subject, they came to the following resolution, viz.

RESOLVED, " That this Court is of opinion, that the re-payment of seven
" millions of the money advanced by the Bank to Government will be of very
" essential service to this House; but that the Court is nevertheless extremely ap-
" prehensive, that the negotiating the proposed loan for Ireland in this country
" will necessarily endanger the safety of the Bank of England, by the large drains
" of cash it must occasion for the remittance of that sum to Ireland."

* The suspension of payments in cash at the Bank took place long before the Irish loan (which was incorporated into the English loan) was negotiated.

The Governor and Deputy-Governor, with Mr. Darell and Mr. Bosanquet, were deputed by the Court to wait upon the Chancellor of the Exchequer with this resolution; and they took with them a copy of it, in a paper sealed up, that, in case Mr. Pitt should require it to be left with him, to shew it to the Cabinet, it might be in a situation guarded from the eyes of the people in office. The deputation waited on Mr. Pitt, when the Court broke up, and waited till he came home; when, being admitted, the Governor told him, that a Special Court had been held on the subject, and that he and the other Gentlemen were deputed to bring him the resolutions of the Court upon it, which Mr. Pitt read attentively; and, desiring to have a copy left with him, the one sealed up was given to him, which he was desired by the Governor to return to him when he had communicated the same to the Cabinet. In the conversation which took place afterwards, the Governor asked if it was not possible that a part of the £1,500,000 could be raised in Ireland for its own use? Mr. Pitt said, that the sum mentioned was all expected from this country;—that a farther sum was wanted in the whole; but that the Irish Government hoped to raise the remainder in that country. On the subject of the loan to be raised here to pay off the above sum due to the Bank, Mr. Pitt said he meant to make it equal not only to that purpose, but to set him at his ease for other parts of the public service, which he had not been able to calculate with sufficient exactitude on bringing out the last loan. That he meant to raise this additional loan in the same funds, and, if possible, by the same subscribers, to whom proposals would be made, with an allowance for their loss on their former engagement; and that, if he was disappointed in this expectation, he must take other measures as usual. After this, the Governor asked Mr. Pitt if it could not be made compatible with the forms of office, that, when the payments should come to be made on this proposed loan, the money might be retained at once by the Bank, as far as was intended for the liquidation of their advances, without being sent up to the Exchequer, as was hitherto practised, which mode had often caused a delay of many days, and, once last year, a total disappointment of the sum. Mr. Pitt said, he saw no reason why this routine of office should not be altered,—that he would think of it, and order another arrangement.

Deputation.

No. XXXIV.

Deputation to the Chancellor of the Exchequer.

21st February, 1797.

*Voula de
secrets dans
les affaires
de la banque*

The Committee observing, with great uneasiness, the large and constant decrease in the cash, held a particular consultation on that subject this day; and, on examination into the state of the cash since the beginning of this year, they found, that, in the course of the month of January, there had been a decrease of £ , and since the beginning of this month a farther loss of £ , and that the cash was now reduced to between value, in bullion and foreign coin, and about the value of £ in silver bullion. Perceiving, also, by the constant calls of the bankers, from all parts of the town, for cash, that there must be some extraordinary reasons for this drain, arising, probably, from the alarms of an expected invasion; the Committee, after maturely considering the matter, resolved to send a notice to the Chancellor of the Exchequer of the situation of matters at the Bank; and to explain exactly to him how the cash is circumstanced, that he may, if possible and proper, strike out some means of alleviating the public alarms, and stopping this apparent disposition in people's minds, for having a large deposit of cash in their houses. The Governor, Deputy-Governor, with Mr. Darell and Mr. Bosanquet, were deputed to wait upon Mr. Pitt; who went to him, and, after describing to him the anxiety of mind which all the Directors were under on this subject, they explained to Mr. Pitt the exact particulars above-mentioned. Mr. Pitt seemed aware that this unusual drain of cash from the Bank must arise from the alarm of an invasion, which he observed was now become much more general than he could think necessary. He said, that, from all his informations, he could not learn of any hostile preparations of consequence making in France to invade this country, except the fleet which was refitting at Brest, after being driven off from the coast of Ireland; but that he could not answer that no partial attack would be made on this country by such a mad and desperate enemy as we had to deal with. The deputation pressed on Mr. Pitt to declare something of this kind in Parliament, in order to ease the public mind. The deputation then mentioned to him the necessity of bringing forward the new Loan, out of which the repayment of the seven millions to the Bank was to be made, as in the present emergency it was of the utmost consequence that our advances should be contracted as soon as possible. He said, he was occupied on that point, and hoped, in a couple of days, to have his plan so arranged as to be able

able to call the gentlemen together with whom it might be necessary to negotiate for a new Loan. Mr. Pitt also mentioned, that he hoped the Committee would, in the present situation of matters, think it necessary to endeavour to obtain a supply of gold from foreign countries, which the Governor told them they were considering about, and should do what they could therein.

In the afternoon, the Governor and Deputy-Governor had a meeting, at the desire of the Committee, with Messrs. Goldsmid and Eliafon, and agreed with them, that they should write by that post to Hamburgh, and order a purchase of guineas, or any gold bullion, to be shipped directly for this house, to the amount of £50,000, on a commission of one-third per cent. The said Messrs. Goldsmid and Co. to stand all risk of the actions of the houses with whom they correspond, but the risk of the conveyance to London to rest with the Bank.

Interview with the Chancellor of the Exchequer.

No. XXXV.

22d February, 1797.

Messrs. Goldsmid and Eliafon attended the Committee this day, and were directed to give farther orders to Hamburgh for the purchase of gold; and were told that application would immediately be made to the Minister to order a frigate or armed sloop to go to Hamburgh, to take in such gold as might be bought, and also to desire that the restriction on the captains of packets, not to take any gold on-board at Hamburgh for this country, might be taken off. The Governor and Deputy-Governor waited on Mr. Pitt on this subject, who promised to apply to the Admiralty for directions about sending out a frigate or armed sloop; and that he would apply to the Postmaster-General to give orders to the captains of the packets.

The Governor pressed Mr. Pitt again on the subject of the Treasury-bills, and told him, that he feared the Court would not agree to pay the Treasury-bills which fell due the next week.

Mr. Pitt said, he would send £50,000 to the Bank in part payment thereof; but that he did not think he could raise the money to the full amount of the bills due.

Interview with the Chancellor of the Exchequer.

No. XXXVI.

24th February, 1797.

At a Committee of the whole Court held this day, it appeared that the loss of cash yesterday was above £ , and that about £ were already drawn

Secret

drawn out this day, which gave such an alarm for the safety of the house, that the Deputy-Governor and Mr. Bofanquet were desired to wait on Mr. Pitt, to mention to him these circumstances, and to ask him how far the Bank might venture to go on paying cash, and when he would think it necessary to interfere, before our cash was so reduced, as might be detrimental to the immediate service of the state. Mr. Pitt said, that this was a matter of great importance, and that he must be prepared with some resolution to bring forward in the Council, for a proclamation to stop the issue of cash from the Bank, and to give the security of Parliament to the notes of the Bank; in consequence of which, he should think it might be proper to appoint a Secret Committee of the House of Commons to look into the state of the Bank-affairs; which, they assured them, they were well prepared for, and would produce to such a Committee. Mr. Pitt also observed, that he should have no objection to propose to Parliament, in case of a proclamation, to give parliamentary security for Bank-notes. The Governor and Deputy-Governor this day waited on Mr. Pitt, to mention to him, that it would, in the present circumstances, be highly requisite that some General Meeting of the Bankers and chief Merchants of London should be held, in order to bring in some resolution for the support of the public credit in this alarming crisis. And they took the liberty to recommend to Mr. Pitt to have a private meeting of some of the chief bankers at his house to-morrow, at three o'clock, in which the plan for a more general meeting on Tuesday or Wednesday next might be laid; in the propriety of which Mr. Pitt agreed, and said he would summon a previous meeting for to-morrow accordingly.

This was communicated by the Governor to the Committee.

Extracts from the Report of the Lords' Committee of Secrecy on Bank-Affairs.

The Committee having examined many witnesses, and called for several papers and accounts, have agreed to report the Minutes of their proceedings, together with such papers and accounts as will be found in the report.

Mr.

Mr. Giles and Mr. Raikes examined, 17th March, 1797.

Q. When did the Bank conceive apprehensions from the diminution of specie in the Bank?

A. I should think for about a twelve-month.

A. I do not quite concur in that answer. So far, I concur in the Deputy-Governor's answer, that the apprehensions a twelve-month ago were greater than they were two years ago. I shall concur in the Deputy-Governor's answer if you put it to the 11th February, 1796.

Mr. Raikes.

Mr. Giles.

Q. Was not the course of exchange unfavourable to this country about the 11th February, 1796, when you carried up a resolution of the Court of Directors of the Bank to the Chancellor of the Exchequer?

A. Most certainly.

Q. How long did it continue unfavourable?

A. Until March 29, 1796.

Q. Has it been more favourable since March, 1796, than it was in March, 1796, and at what periods?

A. Not till October, 1796.

Q. Has it been more favourable since October, 1796?

A. Yes, in December.

Q. Was the exchange in the beginning of February, 1797, more favourable than at the date of the representation in February, 1796?

A. Yes, by four or five per cent.; in some part of February, 1797, it was five or six per cent.

Q. You have stated in a paper before the Committee, that the amount of Bank-notes in circulation, on the 25th February, 1797, was £8,640,000. Have you any objection, on the part of the Bank, to state to the Committee the amount in circulation upon the same day in the four preceding years?

A. I do not see any objection: I beg leave to deliver in the scale of cash and bullion which had been returned to me on the 11th instant.

Mr. Raikes, Mr. Darell, and Mr. Bosanquet, examined, 18th March, 1797.

Q. Did the Directors of the Bank, from time to time, continue to state these apprehensions subsequent to the 11th of February, 1796, from the diminution of the specie in the Bank, to the Chancellor of the Exchequer?

H

A. Frequently,

A. Frequently, not in precise terms, but generally describing our apprehensions concerning the gradual decrease of our cash.

Q. Did you receive any answer from the Chancellor of the Exchequer in consequence of these representations, and what was such answer?

A. We had no precise answer on that point; but the Chancellor of the Exchequer sometimes expressed hopes, that the balance of trade in favour of this country would restore our affairs, and thereby bring back specie.

Q. Did the Directors of the Bank at any time apply to the Chancellor of the Exchequer for a reduction of their advances to Government?

A. Frequently.

Q. Did you receive any answer in consequence of such application, and what answer?

A. We had frequent hopes given of a reduction of our debt from Government, particularly on the advances on Treasury-bills.

Q. In your transactions as Bank-Directors, and conferences with each other in that capacity, have you not always considered, that an increase of active capital employed, whether in agriculture, manufactures, inland-navigation, and the whole detail of inland-trade, and of imports and exports, would require an increase of cash or notes in circulation?

Mr Bosanquet. *A.* I do not know that we have ever had any particular discussion on the subject, but it is obvious it must be so.

Q. Is not the state of our coin, when undiminished in respect of weight, such as to afford almost at all times a temptation to melt it down in this country?

A. Certainly not the gold coin, except when the course of exchange is against this country; then there is an advantage in exporting it.

Mr. Hartwell, from the Navy-Office, presented an account of the costs of naval stores in the four years ending the 1st January, 1793, and in the four years ending the 5th January, 1797.*

* An Account of the Amount of the Cost of Naval Stores in the Four Years ending the 5th January, 1797.

Navy-Board, 18th March, 1797.

1793	—	—	—	—	£ 1,232,537 : 4 : 10
1794	—	—	—	—	1,608,893 : 3 : 7
1795	—	—	—	—	2,326,660 : 19 : 6
1796	—	—	—	—	2,657,784 : 13 : 2
					<u>£ 7,825,876 : 1 : 1</u>

Mr.

Mr. Morison, from His Majesty's Mint, presented an account of gold and silver coined during His Majesty's reign, distinguishing each year.

Mr. Bosanquet examined, 20th March, 1797.

Q. It appearing by the scale of cash, in 1783, that it was much lower than on the 26th of February last, can you state to the Committee what measures were then pursued by the Bank?

A. I cannot answer that question without taking notice of the very different situation the country was in at the two periods of 1783 and the beginning of 1797. In the first period, the drain of cash proceeded from the great extension of commerce which followed the peace, and which occasioned so considerable an export of the commodities of this country, that the circulation was hardly able to support it. It was evident, that, if this drain could be supported for a short time, the influx of wealth that must follow from the return of the amount of the exports would amply compensate for the preceding drain: and so it turned out. The Bank-Directors, therefore, without opening the state of their affairs to the then administration, took a bold step of their own authority, and refused to make the advances on the loan of that year: this answered the purpose of making a temporary suspension in the amount of the drain of their specie.

The time at which they had the ground of alarm was not when their cash was at the lowest, but about April or May, when they refused to advance on the loan; and, although in October their cash was lower than before, yet they had such reason to expect a turn in their favour, by a favourable alteration in the exchanges, that they were under much less apprehensions than they were in the spring. It is notorious, that the situation of public affairs, at the beginning of the present year, was totally different.

Q. Do you understand, that the export-trade of this country has not gradually increased in the three last years?

A. I understand it has.

Q. Do you understand, that the balance of trade, in favour of this country, has not been greater in the year 1796 than it was in 1783?

A. I have not had occasion to compare the papers of those two periods; but I suppose it to be greater now.

Q. You having said in your former answer, that you do not recollect what the state of exchange was in 1783, has not the course of exchange between Great

Britain and Hamburgh been greatly in our favour for at least the three last months up to the present time?

A. I believe it has.

Q. If the Bank did not import gold in the year 1783, when their cash was so low, is not that circumstance a presumption that the state of exchange was unfavourable?

A. Certainly it is.

Q. Do you conceive that the advances made by the Bank to Government have had any material tendency to lessen their discounts to individuals?

A. I think they have.

Mr. Giles examined, 24th March, 1797.

Q. Do you conceive that every exertion has been made by the Bank to obtain repayment of the advances made to Government since the 1st of January, 1795?

A. Yes, save that of lending more.

Q. If the advances had been either paid off or greatly diminished at the periods you applied for such payments, do you think the necessity of the Order of Council of the 26th February would have existed?

A. Had the advances to Government been considerably less, I do not think the Order in Council would have been necessary.

Q. Have you, since the Order in Council, increased your discounts?

A. About £2,000,000.

Mr. Walton, from the Bank of England, 30th March, 1797, presented a scale of cash and bullion from September, 1784, to December, 1794, and a scale of annual discounts from 1782 to 1797.

Henry Thornton, Esq. a Banker in London, examined.

Q. Have you any reason to think that there has been a great increase in the whole scale of public income and expenditure?

A. Undoubtedly.

Q. Has not a similar increase taken place on the scale of private expenditure?

A. If

A. If you include several years past, it certainly has.

Q. Has there not been of late years a rise on the price of provisions and of labour?

A. Certainly.

Q. Has there not been a great extension in the manufactures and commerce of the kingdom?

A. Undoubtedly.

Q. Have not these circumstances, stated in the preceding questions and answers, occasioned a demand for additional means of circulation?

A. I would reply to the question put to me, by answering, that I conceive the increased trade of the country has undoubtedly caused a necessity for an increased use either of bills or notes to bearer in payment; and also that the increased scale of expenditure of the country must have caused, as I conceive, an increased use chiefly of notes to bearer on demand, though partly also of bills of exchange, and likewise, in some degree, perhaps, of cash, especially in those times when notes to bearer on demand came into discredit. In general I consider guineas as furnishing the means of paying small or broken sums, and as bearing much the same relation to notes which shillings do to guineas; and that the occasion for the increase of their quantity does not necessarily keep pace with the other increased means of circulation.

Q. How far have the additional means of circulation, stated in the last answer to have become necessary, been furnished in the metropolis, either by an increased proportion of Bank-notes in circulation, or by any other means, so as to keep pace with the enlarged scale of expenditure, and with the increased employment of active capital?

A. No notes pass currently in payment in the metropolis but those of the Bank of England; nor is it usual there to make use of bills of exchange in payment, as is done often in the country. Of the quantity of Bank of England notes which may have been issued now, and at former periods, I can have no authentic information: it is commonly understood, however, to have lately decreased, and I should conceive that the high rate of interest for money, amounting from eight to ten, and even eighteen per cent. which has been evident in the price of Exchequer-bills, India-bonds, and other such securities, soon convertible into Bank-notes, has arisen, in a great measure, from the scarcity of Bank-notes, the price paid (if I may so express it) for the purchase of Bank-notes naturally increasing in proportion as these notes are few in number and in great demand. In consequence of the assumed scarcity
of

of Bank-notes, it has been in the contemplation of several persons, and particularly of bankers, to endeavour to provide some additional means of circulation for the metropolis; which, it has been thought, that if all the bankers would agree to take them, might become generally current in the metropolis; but some doubts have been entertained whether a project of this sort would answer, unless the bankers should guarantee the notes of each other; in which case it is a question whether it might not be an infraction or an evasion of the Bank's charter. I consider these circumstances as proofs that the Bank-notes in circulation have not borne a due proportion to the wants of the public.

Q. If, instead of a decrease of Bank-notes in circulation, assumed by the last answer to have taken place, the quantity of those notes had remained as they were, without material increase or decrease, would not the inconveniences resulting from the forced sale, and consequent depreciation of other securities, have then also prevailed, though in a less degree?

A. I conceive they would; and that the increased transactions of commerce in the metropolis must have required an increase of the Bank-notes issued. These being the only means of circulation in the metropolis, excepting guineas; which cannot be used in any considerable dealings.

Q. What effect would any considerable augmentation in the quantity of circulating Bank-notes in the metropolis have produced?

A. I conceive that the increase of their quantity ought to depend not only on the increased quantity of trade in the metropolis, but also on the occasion for them, which might arise from other causes.

If, for instance, general credit should be impaired while Bank-notes sustain their credit, it follows there would be a disposition in many people to hold possession of Bank-notes, though at some loss to themselves, who, at other times, might be satisfied with the possession only of bills of exchange; for, the convertibility of bills of exchange into Bank-notes being more doubtful, prudent persons would provide themselves, if possible, with Bank-notes for their expected payments, at a time, perhaps, much antecedent to the time of payment. I conceive, therefore, the quantity of notes which it may be proper, at any time, to issue, to depend much on the state of the public mind; that is, on the disposition of persons to detain them. If, indeed, a much larger quantity were issued than would remain in circulation, I should imagine that the effect of such excessive emission might be to draw guineas out of the Bank of England.

Q. How

Q. How far are you of opinion that an increase in the quantity of circulating Bank-notes, adequately proportioned to the increased wants and demands above described, would, or would not, have tended to an increased and inconvenient call upon the Bank for the issue of cash?

A. I think that an increased quantity of notes, proportioned to the increased occasion for them, must tend to prevent a demand for guineas rather than to promote it; and, if the quantity of notes issued should be very considerably less than the occasion of the mercantile world requires, I should think a run upon the Bank for guineas would be the consequence: for, when trade is much distressed, and failures are expected, a general distrust is apt to be excited; and, as the cause of such expected failures is not distinctly known to be the diminution of the Bank of England's circulating notes, there are likely to be at least some persons in the country, who may wish not only to be possessed of Bank-notes for their security, but even of guineas. I farther think, that a scarcity of the circulating medium of the metropolis tends to induce some of the country-bankers, who are the most opulent and respectable, to forbear from issuing their Bank-notes, through the apprehension of mercantile distress; and their forbearance to issue country Bank-notes is naturally followed by a considerable increase in the use of guineas, all which are drawn out of the Bank of England.

Q. Is it not for the interest of the Bank of England, as well as of every private banker, to issue as many notes as they possibly can, consistently with a due attention to their credit and safety?

A. I conceive that to be self-evident.

Q. When the country-banks are, in general, in a high state of credit, has it not been the practice of the country-bankers to discourage the circulation of the Bank of England notes in the country, in order to increase their own circulation?

A. I rather think it has. I am well convinced, that, in ordinary times, very few Bank of England notes have circulated far from London; because, if they had so, the banking-house, with which I am connected, receiving, as they do, large remittances of paper, of various sorts, from the country, would have received sometimes Bank-notes among them; and would also, probably, have been desired sometimes to send Bank of England notes into the country: neither of which has been the case in any considerable degree; except, indeed, that, since the stoppage of the cash-payments of the Bank, we have
sent,

sent, I think, between £40,000 and £50,000 in Bank-notes, some part of which have been £5 notes, and the rest chiefly 20s. and £2 notes.

Q. Did not the great increase of commerce, in the last three years, require a proportional increase of capital in the commercial world? and was not that want of capital one of the causes of the distress amongst commercial men?

A. I conceive that it may have been so.

Q. Does not any given quantity of commerce, in time of war, require a greater capital to carry it on, arising from the increased expense of freight, insurance, and mercantile charges, than the same quantity of commerce in time of peace?

A. Undoubtedly it does.

Q. Did the pressure of the times, in your opinion, render it necessary to diminish the number of Bank-notes in circulation?

A. My own opinion is, that, for the reasons I have already given, the pressure of the times was likely rather to require an extension of their numbers.

George Ellison, Esq. examined, 1st April, 1797.

Q. What is the nature of your connection with respect to the country-banks?

A. Secretary and Solicitor to an association of great part of the country-banks.

Q. Have you any reason to believe that the Bank of England notes have been sent to a greater amount into the country since the Order of Council of the 26th February, and particularly since the Bank have issued small notes of £1 and £2?

A. I can hardly give an opinion of that. I know that more of these small notes would have been carried into the country than have been, if they could have been obtained. I know several country-bankers who have made journeys on purpose to get them, and were obliged to return with a much smaller amount than they had occasion for.

Abraham Newland examined, 1st April, 1797.

Q. In the present situation of the Bank, do you suppose they could procure gold from abroad, if they were willing to give a higher price than £3. 17s. 10½d. per ounce?

A. No

A. No doubt of it, but at a considerable higher price: the price of gold depends on the course of exchange.

Q. State to the Committee at what price the Bank, in your opinion, could procure £500,000 sterling in bullion from abroad.

A. It is very uncertain, because it depends on commercial transactions; whether there is a greater demand on this country for a larger sum than is due from this country to the places where the gold is to be purchased.

Daniel Eliafon, Esq. examined, 3d April, 1797.

Q. What is your profession or business?

A. In the bill of exchange line.

Q. With Hamburgh, or generally?

A. Hamburgh, and all over Germany.

Q. How long have you been in this business?

A. I am a partner in the house of Goldsmid. I have been in that house seventeen years.

Q. What is the par of exchange between Hamburgh and London?

A. Thirty-three and eight.

Q. What is the money of Hamburgh in which the exchange is calculated?

A. They call it lubs banco.

Q. Is the lubs banco a real coin or only a banco coin?

A. A banco coin.

Q. What do you mean by a banco coin?

A. It varies in the price of exchange; sometimes it is 33 : 8, 33 : 10, 35, sometimes 36 : 6; it varies by the price of exchange.

Q. When you say that the par of exchange is 33 : 8, do you mean, by the figure 33, schillings or any other coin?

A. Thirty-three schillings and eight grotes, twelve of which go to a schilling.

Q. Do you mean to say, that the pure silver which thirty-three schillings and eight grotes contain, or represent, is equal to the pure silver in a pound sterling?

A. It is.

Q. Is the course of exchange, as stated in Castaign's Papers, calculated on the par of exchange, as given in your evidence?

A. It is exactly.

Q. What is the charge of sending £100 in cash from London to Hamburgh, or from Hamburgh to London, including freight, insurance, and commission?

I

A. The

A. The freight is a quarter per cent.; the commission is one-third per cent. at Hamburgh; the charges from Hamburgh to Cruxhaven is one per cent; it arrives here at Yarmouth; from Yarmouth to London it will be three-fourths per cent. The insurance varies every week: at the present time, one and a quarter guinea, the war-average; in peaceable times, for about half-a-guinea; amounting in the whole to £3 12s. 11d.

Q. Do you mean to say, that this is the charge of bringing £100 in cash from Hamburgh to London?

A. To the best of my knowledge it is, but it is impossible to say to a few shillings.

Q. Would there be the same charge in carrying a like sum from London to Hamburgh?

A. It will be much alike.

Q. According to these principles, what increase, in the course of exchange stated by you, above par, will bring in cash or bullion, and what decrease in the course of exchange, below the par, will carry it out?

A. It will carry it out of the country if the exchange is 33 and 4 grotes; it will bring it in from 36 and 36 : 6.

Q. Is it for the interest of any merchant to send £100 in specie from this country to Hamburgh, till the course of exchange is so fallen as to amount to £3 12s. 11d. on the £100?

A. It depends on the price of gold here.

Q. Does not the price of gold here rise in proportion to the rise of the exchange above par, and does it not fall in proportion to the fall of exchange below par?

A. The price of gold falls generally when the exchange rises, and rises when the exchange falls.

Q. Does it rise or fall in the same proportion?

A. Not always.

Q. What other circumstances, besides the course of exchange, operate on the price of gold?

A. I should suppose if there was a large Loan for the Emperor, and they were to send gold abroad, and he is to be paid in specie, it must have an effect on the price of silver and gold.

Q. Is not the fall from 33 : 8 to 32 : 8 nearly equal to three per cent.?

A. Yes it is.

Q. Can

Q. Can it be, therefore, for the interest of the remitter, to export coin or bullion till the exchange falls to 32:8; and, if it is so, state your reasons?

A. Because they send gold abroad, and they buy the pound sterling at a lower price; if they buy it at 32:8, they pay less marks for it than at 33:8.

Q. In the course of your experience, at what price of exchange do you find that gold goes out of the country, and at what price does it come in?

A. It goes out of the country from 33 to 33:6; and it comes in from 36 to 36:6, but all depends on the price of gold and silver at Hamburgh; but, since I have been in business, I have found it come and go at the prices I have mentioned.

Q. Have you found that a small remittance of money on one post day, from Great Britain to Hamburgh, for instance, £50,000, will sometimes materially affect the course of exchange?

A. It will depend in what hands it is, and who is to remit it. If it is a person in the line of remitting every post, it will certainly have very little effect on the exchange, and he will do it at a better rate than a person not in that line. It has been frequently the case, at the Royal Exchange, that some remitters come out to remit a good deal of money to Germany, who are not in the habit of remitting every post day, and therefore the drawers would not draw at the profit price, and the price of exchange fell.

Q. What would be the effect of a similar remittance from Hamburgh to London?

A. Exactly the same; it depends in what hands it is.

Q. If 33:8 make the par, can you explain why the gold goes out of this country at so little below the par as from 33 to 33:6, and does not come in till the exchange runs to 36, or 36:6?

A. Because the price of gold and silver regulates at Hamburgh according to the exchange, as it comes from hence: the proof of it is, we have recently imported gold from Hamburgh, and, as soon as they found that we remitted to them at a high exchange, the gold rose in proportion.

Q. What was the price of exchange at the time the gold was remitted to you from Hamburgh?

A. They sent us gold, and drew upon us for the amount at sight, which was done at 34:1; and afterwards they drew upon us again, and it was done at 34:10, by the last mails.

Q. You have said that gold, or bullion, goes out of the country when the exchange is from 33 to 33:6, and that it comes in when it is from 36 to 36:6; does it generally happen that either gold or bullion, in considerable quantities, neither goes or comes when the course of exchange is between the above rates?

A. Between those rates it neither goes nor comes.

Q. How then did it happen that gold was imported from Hamburgh by the last mail, the exchange being 34:10?

A. Because, when this business happened at the Bank, some people wished to have gold; and if a merchant, understanding his business, wants gold, of course he wishes to have a profit, and this gold was imported at very little loss, only to have the gold in the kingdom.

Q. Will the gold that you imported by the last mail affect the exchange against this country?

A. By no means, but quite the contrary.

Q. What objection do you see to ordering a million or two more in the same manner?

A. None at all.

Q. Do you suppose such a sum could be procured upon nearly the same terms?

A. I think, in time, it might be procured in bullion, not in gold only, gold and silver; not altogether.

Q. Within what period?

A. From £30,000 or £50,000 a week.

Q. Do you conceive that the procuring gold from abroad is rendered more difficult by the Bank of England having stopped their cash-payments?

A. I cannot say we found it so, for we got gold.

Q. Do you conceive that you could have procured it in larger sums than from £30,000 to £50,000 a week, if you had had a commission to procure it, before the stoppage of the cash-payments of the Bank?

A. I think not; because the alarm at Hamburgh was only momentary, and it blew over directly.

Q. What is the lowest price per ounce you have known gold to sell at Hamburgh for importation to this country?

A. About £3:13 to £3:14 the standard.

Q. How happens it that a difference of nearly three shillings above the par of exchange has the same effect one way that four grotes below the par has the other?

A. It

A. It depends upon the price of gold at Hamburgh, which varies every day.

Q. Is the price of gold at Hamburgh regulated by the course of the exchange?

A. Certainly it is.

Q. Is 33:8 generally considered by the merchants of London as the par of exchange between London and Hamburgh?

A. I believe it is; I dare say eight out of ten will state it so.

Isaac De Mattos examined, 4th April, 1797.

Q. What is your business?

A. A broker of exchanges and funds; which I have been thirty-four years.

Q. What is the par of exchange between London and Hamburgh?

A. Thirty-three shillings, eight grotes, or twelve marks, ten stivers, equal to a pound sterling.

Q. Do you mean to say that the pure silver, which thirty-three shillings eight grotes contain, or represent, is equal to the pure silver of a pound sterling?

A. Of course.

Mr. Walton, from the Bank of England, 6th April, 1797, presented a monthly scale of discounts for the years 1793, 1794, 1795, and 1796.

Mr. Giles examined, 8th April, 1797.

Q. Is not the Bank enabled to give greater accommodation to the commercial demands by discounting bills of a short date, than by discounting bills that have a long time to run?

A. The time they never pass is sixty-five days, and they discount the bills indiscriminately if within that time. Undoubtedly the Bank would wish generally to discount short bills rather than those to the full extent of the time, when they wish to restrict their advances.

Q. If the Bank discounted bills of a longer date than the above-mentioned sixty-five days, would not the keeping the same number of Bank-notes in circulation be attended with greater risk?

A. To the Bank certainly.

Q. If the advances to Government had been considerably less at the end of the year 1795, would not the Bank been enabled to discount more bills than they actually did?

A. Most certainly, and willingly would have done it.

Q. If

Q. If the Government had, in compliance with the request of the Directors, repaid the sums required by them instead of borrowing farther sums of money, do you conceive it would have been necessary for the Bank to have published the resolution respecting discounts of the 31st December, 1795?

A. Certainly not.

Mr. Giles, Governor of the Bank, examined.

Q. What is the total amount of out-standing demands on the Bank of England, and likewise the funds for discharging the same?

A. Mr. Giles, in answer, begs leave to refer to the following papers, viz.

The B A N K.

This Account made up to the 25th of February, 1797, inclusive.

Dr.		Cr.
To Bank-notes out,	£ 8,640,250	By advances on Government securities, viz.
To other debts, viz.		on land and malt, 1794,
Drawing-accounts, Audit-roll, Exchequer-bills deposited, and various other debts - - -	5,130,140	1795, 1796, and 1797,
		on Exchequer - bills,
		Treasury-bills of Exchange, and interest due - - -
	£ 13,770,390	£ 10,672,490
Balance of surplus in favour of the Bank, exclusive of the debt from Government to the Bank at 3 per cent. which is a pledge for the capital,	3,826,890	By all other credits, viz. cash and bullion, bills discounted, money lent, and various other articles - - -
		6,924,790
	£ 17,597,280	£ 17,597,280
		By the permanent debt due from Government for the capital of the Bank, at 3 per cent. per annum - - -
		£ 11,686,800
		(Errors excepted.)

Bank of England,
4th March, 1797.

(Signed) WM WALTON, Deputy-Accountant.

Copy

Copy of Notice given by the Bank, relative to their Discounts in 1795.

At a Court of Directors at the Bank, on Thursday, the 31st December, 1795,

RESOLVED, That the following notice be stuck up in the Discount-Office.

Bank of England, 31st December, 1795.

Pursuant to an Order of the Court of Directors, Notice is hereby given,

That no bills will be taken in for discounts at this Office after twelve o'clock at noon, or notes after twelve o'clock on Wednesdays.

That, in future, whenever the bills sent in for discount shall in any day amount to a larger sum than it shall be resolved to discount on that day, a pro-rata proportion of such bills in each parcel as are not otherwise objectional will be returned to the person sending in the same, without regard to the respectability of the party sending in the bills or the solidity of the bills themselves.

The same regulation will be observed as to the notes.

ROBERT BEST, Assistant-Secretary.

No.

No. 40.

An ACCOUNT of the Value of IMPORTS into, and all EXPORTS from, Great Britain, for Twenty Years preceding the 5th January, 1797; distinguishing each Year, and distinguishing the Value of British Produce and Manufactures from the Value of Foreign Articles.

Value of Imports, exclusive of East Indies and China.			Value of Imports from East Indies and China.			Total Value imported.			Years.	Value of British Manufactures exported.			Value of Foreign Merchandise exported.			Total Value of Exports.		
£.	s.	d.	£.	s.	d.	£.	s.	d.		£.	s.	d.	£.	s.	d.	£.	s.	d.
10,809,612	12	11	1,834,221	14	9	12,643,834	7	8	1777	9,300,266	10	4	4,190,763	9	6	13,491,029	19	10
9,449,402	10	5	1,526,130	10	7	10,975,533	1	—	1778	8,207,503	8	10	4,046,392	4	1	12,253,895	12	11
10,718,940	3	7	716,323	9	10	11,435,263	13	5	1779	7,648,286	—	10	5,890,289	3	7	13,538,575	4	5
9,841,513	18	2	970,726	9	7	10,812,240	7	9	1780	8,813,690	12	5	3,834,925	8	9	12,648,616	1	2
10,197,274	13	11	2,526,339	2	2	12,723,613	16	1	1781	7,633,332	12	5	3,708,963	16	3	11,342,296	8	8
9,715,509	6	11	626,319	8	5	10,341,828	15	4	1782	9,109,561	1	1	3,907,829	12	6	13,017,390	13	7
11,820,739	14	3	1,301,495	13	3	13,122,235	7	6	1783	10,409,713	3	5	5,058,574	11	6	15,468,287	14	11
12,276,224	18	—	2,996,652	2	11	15,272,877	—	11	1784	11,887,628	7	8	3,846,434	8	1	15,734,062	15	9
13,575,458	7	5	2,703,940	14	1	16,279,399	1	6	1785	10,974,814	12	5	5,142,834	19	7	16,117,649	12	—
12,629,385	6	10	3,156,687	—	7	15,786,072	7	5	1786	11,830,194	19	8	4,470,535	12	9	16,300,730	12	5
14,373,156	15	7	3,430,868	—	6	17,804,024	16	1	1787	12,054,224	3	2	4,815,890	2	5	16,870,114	5	7
14,573,290	17	9	3,453,897	3	5	18,027,188	1	2	1788	12,724,612	7	1	4,747,796	—	6	17,472,408	7	7
14,461,954	9	2	3,359,148	1	5	17,821,102	10	7	1789	13,779,506	2	6	5,561,042	14	5	19,340,548	16	11
18,298,816	11	11	832,069	13	4	19,130,886	5	3	1790	14,921,084	9	7	5,199,037	7	11	20,120,121	17	6
15,971,069	—	7	3,698,713	13	—	19,669,782	13	7	1791	16,810,018	16	4	5,921,976	10	11	22,731,995	7	3
16,957,810	17	3	2,701,547	9	4	19,659,358	6	7	1792	18,336,851	6	11	6,568,348	16	6	24,905,200	3	5
15,757,693	16	10	3,499,023	12	10	19,256,717	9	8	1793	13,892,268	17	7	6,497,911	9	3	20,390,180	6	10
17,830,418	19	—	4,458,475	1	5	22,288,894	—	5	1794	16,725,402	16	2	10,023,564	19	3	26,748,967	15	5
16,976,179	1	8	5,760,710	8	3	22,736,889	9	11	1795	16,527,213	2	2	10,785,125	15	2	27,312,338	17	4
19,800,957	—	5							1796	19,106,444	17	5	11,317,740	—	8	30,424,184	18	1

Inspector-General's Office,

Custom-House, London, March 21, 1797.

From the Manner in which the Importations from India and China are brought to Account in the Books of the Customs, the Value of the Imports from these Countries cannot be ascertained sooner than Five or Six Months after the Arrival of the last Ship within the Year; therefore, in order to preserve the comparative View, the Inspector-General has distinguished, in the Years preceding 1796, the Value of the East-India Importations from the Importations from all other Parts.

THOMAS IRVING,

Inspector-General of the Imports and Exports of Great Britain and the British Colonies.

An ACCOUNT of the total Net Produce of the Taxes for
the Year ending the 10th October, 1797.

			£.	s.	d.
Consolidated Customs	- - - - -	- - - - -	3,089,048	16	10
Excise	- - - - -	- - - - -	7,114,915	15	1 $\frac{1}{4}$
Stamps	- - - - -	- - - - -	1,306,040	7	5
Incidents	- - - - -	- - - - -	1,831,606	12	11 $\frac{1}{4}$
Duties pro Anno	1793	- - - - -	209,101	—	—
	1794	- - - - -	914,241	10	5 $\frac{1}{4}$
	1795	- - - - -	1,152,626	8	— $\frac{1}{2}$
	1796	- - - - -	1,096,990	13	6 $\frac{1}{2}$
	1797	- - - - -	760,044	19	8
			<hr/>		
			£ 17,474,616	3	11 $\frac{1}{4}$
Land and Malt	- - - - -	- - - - -	2,750,000	—	—
			<hr/>		
			£ 20,224,616	3	11 $\frac{1}{4}$
			<hr/>		

No. 38.

An ACCOUNT of all GOLD and SILVER coined at His Majesty's Mint during his Majesty's Reign, distinguishing each Year. Prepared pursuant to Order of the Right Honourable the Lords of a Secret Committee of the House of Lords, dated 17th March, 1797.

Gold.			Silver.		
Coined in each Year.	Pounds Weight.	Value.	Coined in each Year.	Weight.	Value.
		£. s. d.		lbs. oz. dwts. gr.	£. s. d.
From 25th October, 1760,	2,382	111,298 19	From 25th October, 1760,	—	—
1,	11,790	550,887 15	1,	10	31
2,	11,850	553,691 5	2,	1,020	3,162
3,	10,980	513,040 10	3,	848	2,628 16
4,	18,900	883,102 10	4,	5	15 10
5,	11,520	538,272	5,	6	18 12
6,	17,565	820,724 12 6	6,	96	297 12
7,	27,219	1,271,807 15 6	7,	—	—
8,	18,075	844,554 7 6	8,	—	—
9,	13,410	626,582 5	9,	—	—
1770,	13,350	623,778 15	1770,	22	68 4
1,	13,650	637,796 5	1,	—	—
2,	18,060	843,853 10	2,	108	334 16
3,	28,200	1,317,645	3,	—	—
4,	100,280	4,685,623 11	4,	—	—
5,	104,895	4,901,218 17 6	5,	—	—
6,	107,145	5,006,350 2 6	6,	101 9	315 8 6
7,	78,780	3,683,995 10	7,	—	—
8,	7,500	350,437 10	8,	—	—
9,	36,300	1,696,117 10	9,	82	254 4
1780,	—	—	1780,	—	—
1,	18,765	876,794 12 6	1,	20	62
2,	14,940	698,074 7	2,	—	—
3,	4,860	227,083 10	3,	—	—
4,	17,595	822,126 7 6	4,	65 4 1	202 10 11
5,	53,250	2,488,106 5	5,	—	—
6,	23,700	1,107,382 10 0	6,	—	—
7,	60,975	2,849,056 17 6	7,	17,890	55,459
8,	78,420	3,664,174 10	8,	—	—
9,	32,760	1,530,711	9,	—	—
1790,	56,940	2,660,521 10	1790,	—	—
1,	52,575	2,456,566 17 6	1,	—	—
2,	25,080	1,171,863	2,	83 1 17 15	274 8 3
3,	58,800	2,747,430	3,	—	—
4,	54,765	2,558,894 12 6	4,	—	—
5,	10,560	493,416	5,	94 8 10	295 5
6,	9,945	464,680 2 6	6,	—	—
To 18th March, 1797,	—	—	—	—	—
Totals, - -	1,225,781	57,274,617 4 6	—	20,451 11 8 15	63,419 6 8

Mint-Office,
18th March, 1797.

JAMES MORRISON, Deputy-Master.
JOHN WYETT, Deputy-Comptroller.

BANK

BANK OF ENGLAND, February 22d, 1796.

An ACCOUNT of the Amount of Money advanced, for the public Service, by the Bank of England, and outstanding on the 12th of September, 1795.

(Ordered to be printed 22d February, 1796.)

					£.	s.	d.
Supply	-	-	1790, for Augmentation of the Forces	-	160,000	—	—
					£.		
Land-Tax	-	1793	-	-	141,000		
Ditto	-	1794	-	-	662,000		
Ditto	-	1795	-	-	2,000,000		
					<u>2,803,000</u>	—	—
Malt	-	1794	-	-	324,000		
Ditto	-	1795	-	-	750,000		
					<u>1,074,000</u>	—	—
Vote of Credit,	1794	-	-	-	2,500,000		
Farther Supply,	1794	-	-	-	1,500,000		
Vote of Credit,	1795	-	-	-	2,073,000		
					<u>6,073,000</u>	—	—
Exchequer-Bills without Interest	-	-	-	-	376,739	—	9
					<u>10,486,739</u>	—	9
Treasury-Bills of Exchange	-	-	-	-	1,395,971	4	2
					<u>11,882,710</u>	4	11

A. NEWLAND, CHIEF CASHIER.

BANK OF ENGLAND, October 26th, 1796.

An ACCOUNT of the Amount of Money advanced, by the
Bank of England, for the public Service, and out-standing
on the 1st October, 1796.

(Ordered to be printed 5th December, 1796.)

					£.	£.	s.	d.
On Land	-	-	1794	-	-	-	-	-
					141,000			
Ditto	-	-	1795	-	-	-	-	-
					646,000			
Ditto	-	-	1796	-	-	-	-	-
					2,000,000			
						2,787,000	-	-
Malt	-	-	1794	-	-	-	-	-
					196,000			
Ditto	-	-	1795	-	-	-	-	-
					328,000			
Ditto	-	-	1796	-	-	-	-	-
					750,000			
						1,274,000	-	-
Consolidated Fund,	1795	-	-	-	-	1,054,000		
Ditto	1796	-	-	-	-	1,323,000		
Farther Supply	1795	-	-	-	-	650,000		
Vote of Credit	1796	-	-	-	-	817,200		
						3,844,200	-	-
						7,905,200	-	-
Exchequer-Bills without Interest	-	-	-	-	-	376,739	-	9
						8,281,939	-	9
Treasury-Bills of Exchange	-	-	-	-	-	901,957	6	6
						9,183,896	7	3

A. NEWLAND, CHIEF CASHIER.

BANK

ACCOUNT of our standing Advances made, by the Bank of England, 9th March, 1797.

An ACCOUNT of the Amount of Money advanced, for the public Service, by the Bank of England, and outstanding on the 25th of February, 1797.

(Ordered to be printed 9th March, 1797.)

	£.	£.	s.	d.
On Land-Tax, 1794 - - - - -	141,000			
Ditto, 1795 - - - - -	312,000			
Ditto, 1796 - - - - -	1,624,000			
Ditto, 1797 - - - - -	2,000,000			
		4,077,000	—	—
Malt, 1794 - - - - -	196,000			
Ditto, 1795 - - - - -	158,000			
Ditto, 1796 - - - - -	750,000			
Ditto, 1797 - - - - -	750,000			
		1,854,000	—	—
Consolidated Fund, 1796 - - - - -	1,323,000			
Vote of Credit for £2,500,000, 1796 - - -	821,400			
		2,144,400	—	—
		8,075,400	—	—
Exchequer-Bills without Interest - - - - -		376,739	—	9
		8,452,139	—	9
Treasury-Bills of Exchange - - - - -		1,512,274	2	3
		£9,964,413	3	—

A. NEWLAND, CHIEF CASHIER.

ACCOUNT

ACCOUNT of out-standing Advances made, by the Bank of England, for the public Service, to the 9th of March, 1797, with the Amount of Interest due on the same.

(Ordered to be printed 13th March, 1797.)

Advances on land and malt, 1794 - - - - -	337,000	
1795 - - - - -	467,000	
1796 - - - - -	2,367,000	
1797 - - - - -	2,750,000	
Interest due thereon to 9th March, 1797 - - - - £108,220		5,921,000
Advances on Exchequer Supply-bills, viz.		
Consolidated Fund, 1796 - - - - -		1,323,000
Vote of Credit, 1796 - - - - -		821,400
Interest due thereon to 9th March, 1797, viz.		
On Consolidated Fund, 1796 - - - - -	35,560	
On Vote of Credit, 1796 - - - - -	25,030	
Interest due on Supply-bills, the principal of which is discharged, viz.		
On Supply-bills, 1795. From the 15th August, 1795, to the 15th October, 1796 - - - - -	66,300	
On Vote of Credit, 1795. From the 26th August, 1795, to the 5th September, 1796 - - - - -	93,140	
On Consolidated Fund, 1795. From the 15th September, 1795, to 17th January, 1797 - - - - -	65,350	
Advances on Treasury-bills, to 9th March, 1797 - - - - -		1,643,210
Interest on Treasury-bills undischarged to 9th March, 1797, 182,040		
Interest, to the 18th November, 1796, on Advances to the Lords of the Treasury, the principal of which is discharged - - - - -	4,800	
Advanced, to the Lords of the Treasury, on Exchequer-bills, to 9th March, 1797 - - - - -		250,000
Interest, on ditto, to 9th March, 1797 - - - - -	230	
Loan to Government, on Unclaimed Dividends, without interest - - - - -		9,958,610
		376,730
		10,335,340
£580,670	Total of Interest -	580,670
		£10,916,010

A. NEWLAND, CHIEF CASHIER.

No.

No. 13.

An ACCOUNT of Advances by the Bank to Government on Land, Malt, Exchequer-Bills, and other Securities, on the 25th of February, in each of the Twenty Years preceding the 25th of February, 1797.

	Land and Malt.	Exchequer-Bills.	Treasury-Bills.	Loan to Govern- ment without Interest.	Total.
	£.	£.	£.	£.	£.
1777	4,912,000	2,500,000	—	—	7,412,000
1778	5,251,000	2,500,000	2,760	—	7,753,760
1779	5,682,000	2,769,000	15,664	—	8,466,664
1780	5,613,000	3,104,400	33,582	—	8,750,982
1781	5,517,000	262,230	49,541	—	8,188,841
1782	5,659,000	4,289,050	43,628	—	9,991,678
1783	4,962,000	4,662,200	4,871	—	9,629,071
1784	3,901,000	3,641,000	23,853	—	7,565,853
1785	3,102,000	3,900,000	28,200	—	7,030,200
1786	2,307,000	4,303,200	24,672	—	6,634,872
1787	2,809,000	4,334,200	1,696	—	7,144,896
1788	2,636,000	4,707,400	4,299	—	7,347,699
1789	2,928,000	5,000,200	20,235	—	7,948,435
1790	2,882,000	5,006,500	20,468	—	7,908,968
1791	3,334,000	6,247,100	22,878	—	9,603,978
1792	2,802,000	6,633,600	26,999	376,739	9,839,338
1793	2,698,000	5,939,600	52,359	376,739	9,066,698
1794	2,915,000	4,777,600	717,175	376,739	8,786,514
1795	4,291,000	4,329,000	2,117,491	376,739	11,114,230
1796	5,536,000	5,265,000	540,991	376,739	11,718,730

(Errors excepted.)

WM WALTON, Deputy-Accountant.

Bank, 15th March, 1797.

No.

No. 14.

A General State of the Advances made by the Bank to Government, as they stood in the Beginning of every Month, from the 1st of January, 1793, to the 1st of January, 1797, included.

1793. January - - - - £8,808,700	1795. January - - - - £8,324,600
February - - - - 8,728,000	February - - - - 10,030,200
March - - - - 8,669,100	March - - - - 10,966,400
April - - - - 9,266,000	April - - - - 10,947,800
May - - - - 9,665,000	May - - - - 11,340,300
June - - - - 9,373,000	June - - - - 10,351,000
July - - - - 9,464,900	July - - - - 9,333,200
August - - - - 9,387,800	August - - - - 9,893,000
September - - - - 9,514,500	September - - - - 11,366,600
October - - - - 9,306,700	October - - - - 11,779,400
November - - - - 9,206,500	November - - - - 10,235,700
December - - - - 8,149,400	December - - - - 11,574,300
1794. January - - - - 8,871,400	1796. January - - - - 11,292,700
February - - - - 8,219,000	February - - - - 11,499,700
March - - - - 8,391,900	March - - - - 11,260,600
April - - - - 8,345,300	April - - - - 11,168,700
May - - - - 7,854,000	May - - - - 11,392,100
June - - - - 7,108,100	June - - - - 11,248,300
July - - - - 7,258,000	July - - - - 10,352,800
August - - - - 6,211,200	August - - - - 9,306,500
September - - - - 6,870,200	September - - - - 10,043,900
October - - - - 7,201,000	October - - - - 8,946,600
November - - - - 7,664,300	November - - - - 8,769,000
December - - - - 7,770,100	December - - - - 10,818,500
	1797. January - - - - 10,566,400

The above sums are exclusive of a loan of £376,739 to Government, without interest, the 1st of July, 1791, on Unclaimed Dividends.

No.

No. 16.

BANK OF ENGLAND, 25th April, 1797.

An ACCOUNT of the Amount of Treasury-Bills due to
the Bank on the following Days.

				£.	s.	d.
1795.	January 15th	—	—	2,234,290	—	6
	April 16th	—	—	1,632,500	3	2
	July 30th	—	—	1,516,084	—	4
	August 6th	—	—	1,916,026	18	7
	October 10th	—	—	1,649,478	12	5
	November 10th	—	—	1,503,223	11	6
	December 3d	—	—	1,809,905	5	3
	20th	—	—	2,854,708	12	2
1796.	January 28th	—	—	1,159,678	13	7
	February 12th	—	—	624,178	3	11
	May 19th	—	—	838,769	2	5
	June 14th	—	—	1,007,584	7	2
	July 28th	—	—	1,313,785	2	9
	November 3d	—	—	1,547,295	19	7
1797.	February 26th	—	—	1,512,274	2	3

No. 15.

BANK OF ENGLAND, 28th March, 1797.

An ACCOUNT of Treasury-Bills due to the Bank, at the End of each Month, since the 6th January, 1795, and of the Sums repaid to the Bank, in each Month, since that Time.

	Paid for Bills.				Repaid for Bills.		
	£.	s.	d.		£.	s.	d.
Due, 6th January, 1795,	2,120,527	9	9				
31st January - -	2,513,762	17	—				
28th February - -	2,129,082	15	11	Repaid, February, 1795,	581,418	9	2
31st March - -	2,263,558	8	7				
30th April - -	1,845,393	3	4	April - - -	795,283	1	7
31st May - -	1,200,939	19	11	May - - -	1,345,400	2	—
30th June - -	793,218	9	1	June - - -	1,039,013	—	5
31st July - -	1,521,990	4	7	July - - -	11,299	7	7
31st August - -	1,873,056	2	7	August - -	621,483	17	5
30th September -	1,461,131	19	8	September -	1,028,229	17	6
30th October - -	1,400,248	16	—	October - -	331,903	8	1
30th November -	1,791,372	—	3				
31st December -	1,418,960	19	3	December -	1,579,154	4	0
31st January, 1796,	1,202,358	2	—	January, 1796,	782,598	11	6
29th February - -	616,807	16	5	February - -	1,303,013	3	2
31st March - -	519,889	13	8	March - -	676,924	10	7
30th April - -	752,212	6	11	April - - -	1,992	9	6
31st May - -	967,702	7	5	May - - -	902,466	0	5
30th June - -	1,111,659	13	2				
31st July - -	521,491	7	6	July - - -	821,786	11	4
31st August - -	879,027	6	7				
30th September -	901,957	6	6	September -	150,000	0	0
31st October - -	1,392,369	10	—				
30th November -	1,042,256	—	10	November -	1,050,553	3	9
31st December -	1,175,649	12	9	December -	200,021	10	6
31st January, 1797,	1,562,142	14	3				
28th February - -	1,619,049	4	1	February, 1797,	323,801	17	9

A. NEWLAND, CHIEF CASHIER.

NAVY-

APPENDIX.

75

NAVY-OFFICE, 7th December, 1796.

An ACCOUNT of the Average-Rates of Discount allowed on Navy, Victualling, and Transport, Bills, between the 1st October, 1795, and the 27th October, 1796.

(Ordered to be printed, 9th December, 1796.)

Prepared pursuant to a Precept from the Honourable HOUSE of COMMONS, dated the 6th December, 1796, viz.

OCTOBER, 1795.	JANUARY, 1796.	APRIL, 1796.	JULY, 1796.
On the 2d - - - - 2 $\frac{1}{4}$ 3 to 6 2 $\frac{1}{2}$ 6 - 9 2 $\frac{3}{4}$ 9 - 13 2 $\frac{1}{2}$ 13 - 16 2 $\frac{1}{4}$ 16 - 20 2 $\frac{1}{2}$ 20 - 23 2 $\frac{1}{4}$ 23 - 27 3 27 - 30 3	On the 1st - - - - 3 $\frac{1}{2}$ 2 to 5 3 $\frac{1}{4}$ 6 - 8 4 $\frac{1}{2}$ 9 - 12 4 $\frac{1}{4}$ 13 - 15 4 $\frac{1}{2}$ 16 - 19 4 $\frac{1}{4}$ 20 - 22 4 $\frac{1}{2}$ 23 - 26 4 $\frac{1}{4}$ 27 - 29 4	On the 1st - - - - 5 $\frac{1}{2}$ 2 to 5 5 $\frac{1}{4}$ 6 - 8 5 $\frac{1}{2}$ 9 - 12 5 $\frac{1}{4}$ 13 - 15 5 $\frac{1}{2}$ 16 - 19 6 $\frac{1}{4}$ 20 - 22 5 $\frac{1}{2}$ 23 - 26 5 $\frac{1}{4}$ 27 - 29 5	On the 1st - - - - 7 $\frac{1}{2}$ 2 to 2 7 $\frac{1}{4}$ 6 - 8 7 $\frac{1}{2}$ 9 - 12 8 $\frac{1}{4}$ 13 - 15 9 $\frac{1}{2}$ 16 - 19 9 $\frac{1}{4}$ 20 - 22 9 $\frac{1}{2}$ 23 - 26 9 $\frac{1}{4}$ 27 - 29 9
NOVEMBER.	FEBRUARY.	MAY.	AUGUST.
On the 3d - - - - 2 $\frac{1}{2}$ 3 to 6 3 $\frac{1}{4}$ 6 - 10 3 $\frac{1}{2}$ 10 - 13 3 $\frac{1}{4}$ 13 - 17 3 $\frac{1}{2}$ 17 - 20 3 $\frac{1}{4}$ 20 - 24 3 $\frac{1}{2}$ 24 - 28 3	On the 2d - - - - 5 $\frac{1}{4}$ 3 to 5 5 $\frac{1}{2}$ 6 - 9 5 $\frac{1}{4}$ 10 - 12 4 $\frac{1}{2}$ 13 - 16 5 $\frac{1}{4}$ 17 - 19 5 $\frac{1}{2}$ 20 - 23 5 $\frac{1}{4}$ 24 - 26 5	On the 3d - - - - 5 $\frac{1}{2}$ 4 to 6 4 $\frac{1}{4}$ 7 - 10 4 $\frac{1}{2}$ 11 - 13 4 $\frac{1}{4}$ 14 - 17 4 $\frac{1}{2}$ 18 - 20 5 $\frac{1}{4}$ 21 - 24 5 $\frac{1}{2}$ 25 - 27 5 $\frac{1}{4}$ 28 - 31 5	On the 2d - - - - 9 $\frac{1}{2}$ 3 to 5 10 $\frac{1}{4}$ 6 - 9 9 $\frac{1}{2}$ 10 - 12 9 $\frac{1}{4}$ 13 - 16 9 $\frac{1}{2}$ 17 - 19 9 $\frac{1}{4}$ 20 - 23 9 $\frac{1}{2}$ 24 - 26 10 $\frac{1}{4}$ 27 - 30 14 $\frac{1}{4}$
DECEMBER.	MARCH.	JUNE.	SEPTEMBER.
On the 1st - - - - 3 $\frac{1}{2}$ 1 to 4 3 $\frac{1}{4}$ 4 - 8 3 $\frac{1}{2}$ 8 - 11 3 $\frac{1}{4}$ 11 - 15 3 $\frac{1}{2}$ 15 - 18 4 $\frac{1}{4}$ 18 - 22 4 $\frac{1}{2}$ 22 - 24 4 $\frac{1}{4}$ 24 - 29 3	On the 1st - - - - 5 $\frac{1}{2}$ 2 to 4 4 $\frac{1}{4}$ 5 - 8 4 $\frac{1}{2}$ 9 - 11 4 $\frac{1}{4}$ 12 - 15 4 $\frac{1}{2}$ 16 - 18 5 $\frac{1}{4}$ 19 - 22 5 $\frac{1}{2}$ 23 - 24 5 $\frac{1}{4}$ 25 - 29 5 $\frac{1}{2}$	On the 3d - - - - 5 $\frac{1}{2}$ 4 to 7 5 $\frac{1}{4}$ 8 - 10 6 $\frac{1}{2}$ 11 - 14 6 $\frac{1}{4}$ 15 - 17 7 $\frac{1}{2}$ 18 - 21 7 $\frac{1}{4}$ 22 - 24 7 $\frac{1}{2}$ 25 - 28 7	On the 2d - - - - 13 $\frac{1}{2}$ 3 to 6 15 $\frac{1}{4}$ 7 - 9 14 $\frac{1}{2}$ 10 - 13 14 $\frac{1}{4}$ 14 - 16 15 $\frac{1}{2}$ 17 - 20 15 $\frac{1}{4}$ 21 - 23 14 $\frac{1}{2}$ 24 - 27 14 $\frac{1}{4}$ 28 - 30 13 $\frac{1}{2}$
			OCTOBER.
			On the 4th - - - - 14 $\frac{1}{4}$ 5 to 7 13 $\frac{1}{2}$ 8 - 11 12 $\frac{1}{4}$ 12 - 14 12 $\frac{1}{2}$ 15 - 18 11 $\frac{1}{4}$ 19 - 21 8 $\frac{1}{2}$ 22 - 25 5 $\frac{1}{4}$ 26 - 28 3 $\frac{1}{2}$

Examined, R. P.

A. S. Hamond.
Geo. Marsh.

C. Hope.
Geo. Rogers.

J. Henslow.
W. Bellingham.

Wm Rule.
S. Gambier.

L 2

No.

No. 22.

The Weekly Amount of Bank-Notes out in Circulation,
from the End of June, 1796, to 18th March, 1797,
inclusive.

		£.			£.
1796. July	2d - - -	9,635,290	November	19th - - -	9,748,540
	9th - - -	10,257,990		26th - - -	9,914,970
	16th - - -	10,713,460	December	3d - - -	9,854,410
	23d - - -	9,678,580		10th - - -	9,485,390
	30th - - -	9,788,480		17th - - -	9,273,380
August	6th - - -	10,078,810		24th - - -	9,201,630
	13th - - -	10,122,150		31st - - -	9,204,500
	20th - - -	9,632,960			
	27th - - -	9,427,510	1797. January	7th - - -	9,185,520
September	3d - - -	9,502,230		14th - - -	9,893,340
	10th - - -	8,818,170		21st - - -	10,550,830
	17th - - -	8,988,680		28th - - -	10,024,740
	24th - - -	9,409,050	February	4th - - -	9,667,460
October	1st - - -	9,560,340		11th - - -	9,431,550
	8th - - -	9,387,570		18th - - -	9,137,950
	15th - - -	9,894,140		25th - - -	8,640,250
	22d - - -	9,880,180	March	4th - - -	10,416,520
	29th - - -	9,744,510		11th - - -	10,388,640
November	3d - - -	9,695,530		18th - - -	9,997,550
	12th - - -	9,655,670			

No. 44.

An ACCOUNT of the Number of Bills of Inclosure, and also of Bills for improving navigable Rivers, and for making Canals, together with the Sums permitted to be raised for the above Purposes, that have passed since the Commencement of the War; and also the Number of such Bills passed in the Five Years preceding the Commencement of the present War, with the Sums authorized to be raised thereupon.

Bills of Inclosure.			Navigation and Canal Bills.		
Years.	Number.		Years.	Number.	Sums raised and authorized to be borrowed.
1788	35	No specific Sums are authorized to be raised by Inclosure-Acts.	1788	3	115,000
1789	33		1789	3	132,500
1790	25		1790	8	377,400
1791	40		1791	10	803,700
1792	40		1792	9	1,063,600
1793	60		1793	28	3,141,700
1794	74		1794	18	2,588,500
1795	77		1795	11	378,900
1796	72		1796	12	1,306,000

GEORGE ROSE, Cler' Parliamentor'.

No.

No. 45.

Course of Exchange between London and Hamburgh, taken from Castaing's Papers of the First Day of each Month on which those Papers are published.

Date.	Course.	Ufance. $2\frac{1}{2}$	Date.	Course.	Ufance. $2\frac{1}{2}$
1793 January —	1 35	4	1795 April —	2 35	4
February —	1 35	6	May —	1 34	4
March —	1 36	7	June —	2 33	6
April —	2 37	6	July —	3 32	10
May —	3 37	6	August —	4 32	4
June —	4 37	4	September —	1 32	6
July —	2 37	2	October —	2 32	10
August —	2 35	6	November —	3 32	10
September —	3 36	—	December —	4 33	—
October —	1 35	9	1796 January —	1 32	7
November —	1 35	3	February —	2 33	6
December —	3 35	4	March —	1 33	2
1794 January —	3 35	9	April —	1 34	6
February —	4 36	1	May —	3 33	10
March —	4 36	4	June —	3 34	—
April —	1 36	5	July —	1 33	7
May —	2 36	7	August —	2 33	1
June —	3 34	7	September —	2 33	7
July —	1 35	6	October —	4 34	—
August —	1 35	10	November —	1 34	7
September —	2 35	—	December —	2 34	6
October —	3 35	5	1797 January —	3 35	6
November —	4 34	5	February —	3 35	2
December —	2 35	—	February —	24 36	—
1795 January —	2 34	6			
February —	3 36	—			
March —	3 35	10			

Report

Report from the Committee of Secrecy.

(Ordered to be printed 17th November, 1797.)

THE Committee of Secrecy, appointed to inquire whether it may be expedient farther to continue the Restriction, contained in Two Acts made in the last Session of Parliament, respecting Payments in Cash by the Bank; have inquired accordingly, and agreed upon the following Report, *viz.*

YOUR Committee have, in the first place, examined the total amount of out-standing demands on the Bank of England, and of the funds for discharging the same; and find, from the examination of the Governor and Deputy-Governor of the Bank, and the documents produced by them, that the total amount of out-standing demands on the Bank was, on the 11th day of this instant November, £17,578,910; and that the total amount of the funds for discharging the same (without including the permanent debt due from Government of £11,686,800, which bears an interest of three per cent.) was, on the same day, £21,418,460; leaving a balance of surplus in favour of the Bank (exclusive of the above-mentioned debt from Government) of £3,839,550.

Your Committee next proceeded to examine the principal articles of which the above-mentioned sum of £21,418,460, being the credit-side of the account, is made up, with a view of ascertaining how far the Bank might be enabled to resume its accustomed payments in cash, in case the restriction at present subsisting should be removed: and your Committee find, that the advances to Government have, on the one hand, been so much reduced, since the 25th of February last, as to amount, on the said 11th day of this instant November, to no more than the sum of £4,258,140, while, on the other hand, the cash and bullion in the Bank have increased to an amount more than five times the value of that at which they stood on the same 25th of February last, and much above that at which they have stood at any time since the beginning of September, 1795.

Your Committee farther find, that the course of exchange with Hamburgh is, at present, unusually favourable to this country, and that, from the situation of our trade, there is good reason to imagine it will so continue, unless political circumstances should occur to affect it.

Your

Your Committee next proceeded to examine the Governor and Deputy-Governor of the Bank, as to their opinion of the inconvenience which may have arisen from the restriction imposed on the Bank from making payment in cash, and of the expediency of continuing such restriction; and your Committee find, that they are not aware of any such inconvenience, and that they are supported in that idea, by knowing that the bankers and traders of London, who had a right, by the Act of Parliament, to demand three-fourths of any deposit in cash which they had made in the Bank, of £500 or upwards, have only claimed about one-sixteenth: and your Committee find, that the Court of Directors of the Bank did, on the 26th of October, 1797, come to a resolution, a copy of which is subjoined to this report.

Your Committee having farther examined the Governor and Deputy-Governor, as to what may be meant by the political circumstances mentioned in that resolution, find, that they understand by them, the state of hostility in which the nation is still involved, and particularly such apprehensions as may be entertained of invasion, either in Ireland or this country, together with the possibility there may be of advances being to be made from this country to Ireland; and that, from those circumstances so explained, and from the nature of the war, and the avowed purpose of the enemy to attack this country by means of its public credit, and to distress it in its financial operations, they are led to think that it will be expedient to continue the restriction now subsisting, with the reserve for partial issues of cash, at the discretion of the Bank, of the nature of that contained in the present Acts; and that it may be so continued, without injury to the credit of the Bank, and with advantage to the nation.

Your Committee, therefore, having taken into consideration the general situation of the country, are of opinion, that, notwithstanding the affairs of the Bank, both with respect to the general balance of its accounts and its capacity of making payments in specie, are in such a state that it might with safety resume its accustomed functions, under a different state of public affairs; yet, that it will be expedient to continue the restriction now subsisting on such payments, for such time, and under such limitations, as to the wisdom of Parliament may seem fit.

Copy of a Resolution of the Court of Directors of the Bank.

At a Court of Directors, at the Bank, on Thursday, the 26th October, 1797,

RESOLVED, That it is the opinion of this Court, that the Governor and Company of the Bank of England are enabled to issue specie, in any manner that may be deemed necessary for the accommodation of the public; and the Court have no hesitation to declare, that the affairs of the Bank are in such a state, that it can with safety resume its accustomed functions, if the political circumstances of the country do not render it inexpedient: but the Directors, deeming it foreign to their province to judge of these points, wish to submit to the wisdom of Parliament, whether, as it has been once judged proper to lay a restriction on the payments of the Bank in cash, it may, or may not, be prudent to continue the same.

The following paper is taken from the Monthly Magazine for October, 1797: it has likewise been published in most of the newspapers. Although I do not altogether agree with some parts of the context, I think it would be uncandid to take the publication partially.

On the Finances of the Bank.

The Bank of England has always been considered as an establishment of so much importance to the welfare and prosperity of this country, that the first moment of its failing to fulfil its engagements has invariably been regarded as the immediate termination of all the public and commercial credit of the kingdom. But the events of the present year have proved these apprehensions to have been ill-founded; and, whatever connection may have been supposed to exist between it and either the Treasury or the Royal Exchange, it is now evident that loans may be contracted, and the speculations of moneyless adventurers be continued, long after its faith has been broken, and the just demands of its creditors have been silenced by the control of the Legislature.

When

When the Directors of the Bank, in the month of February, were restrained from doing what, in fact, was physically impossible for them to do, and were indulged with the liberty of exchanging a faithless promise for another, which they do not fulfil; the public, regarding the short period to which the restraint was limited, might, perhaps, be led to hope, that in the course of four months, when the interposition of the Legislature was to cease, the wound which had been given to credit would be healed by the returning faith of the Bank, and that the temporary suspension of its payments would appear to have been more the effect of excessive caution, than of any deficiency or mismanagement in its concerns. But this term has long expired: the Legislature has again interposed its authority, and a limited restraint of four months has been extended to a term of indefinite duration, without producing any other effect than that of proving the excess of public credulity. The notes of the Bank are circulated as freely as ever, and seem to retain the same credit as when, according to the tenor of their promise, they were honoured with an immediate payment in specie.

To those who have regarded the patient acquiescence of the nation in all the ruinous and contradictory measures of the last four years, neither this nor, perhaps, any other instance of credulity will appear surprising. But it is far from my intention to expatiate on a subject so degrading to the character of the country. I am induced only to offer the following statements and observations to the attention of the reader, with the view of leading him to form a more accurate judgement of the importance of the Bank, and of the conduct of the Directors in the management of its affairs.

From an examination of the minutes of the Select Committees in both Houses of Parliament, it appears, that, out of the great variety of documents which have been presented to them, they have thought proper to communicate only a *part* to the public, and do not seem to have communicated those which might lead to a knowledge of the real situation of the Bank. The quantity of notes in circulation, or the amount of their advances to the Treasury, can give but a very imperfect idea of the concerns of this Company, without having, at the same time, an account of their cash, and of the bills which they have discounted for private individuals. Of these, however, no other information is communicated, than that they have been laid before the Committees, and that every motion for their being published has been uniformly negatived. Without presuming to assign a reason for this excessive caution, it must be acknowledged, that the documents which they have withheld appear to have been drawn up at the Bank in such a manner as to puzzle, rather

than to inform, the understanding; and, therefore, that they were probably framed with the view of concealing the truth, not only from the public, but even from the Committees themselves. Instead of a plain and direct statement of particulars, the amount of the cash and the discounts have been given in a set of cabalistical numbers, which, without the aid of other information, would require an *Œdipus* to decipher them. I am no friend to mysteries of any kind. In the present case, they are peculiarly suspicious, and ought to awaken the jealousy of the public. The Bank is a trading-company; a great part of the nation are its creditors; and, when its embarrassments oblige it to stop payment, the nation ought to be made acquainted, not only with the real state of its affairs, but with the conduct of those persons who have been intrusted with the direction of them. Impressed, therefore, with these sentiments, I shall make no apology for introducing the public, a little farther than the Committees have thought fit, into the secret recesses of the Bank, by inserting some of those enigmatical tables, which, perhaps, may be made to afford more information than their authors intend they should do.

TABLE

A P P E N D I X.

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T A B L E I.

SHEWING THE SCALE OF CASH AND BULLION IN THE BANK, FROM 1782 TO 1797.

	No.		No.
1782. March - - - - -	602	1791. March 26 - - - - -	1516
June - - - - -	586	June 25 - - - - -	1552
September - - - - -	382	September 24 - - - - -	1582
December - - - - -	352	December 31 - - - - -	1420
1783. March - - - - -	208	1792. March 31 - - - - -	1236
June - - - - -	136	June 30 - - - - -	1132
October - - - - -	78	September 28 - - - - -	1032
December - - - - -	116	December 29 - - - - -	868
1784. June - - - - -	214	1793. March 30 - - - - -	580
September 25 - - - - -	326	June 29 - - - - -	728
December 31 - - - - -	445	September 28 - - - - -	1128
1785. March 19 - - - - -	582	December 30 - - - - -	1274
June 25 - - - - -	884	1794. March 29 - - - - -	1420
September 24 - - - - -	1174	June 28 - - - - -	1354
December 31 - - - - -	1226	September 27 - - - - -	1336
1786. March 24 - - - - -	1178	December 24 - - - - -	1282
June 30 - - - - -	1220	1795. March - - - - -	1310
September 30 - - - - -	1256	June - - - - -	1214
December 30 - - - - -	1190	September - - - - -	956
1787. March 21 - - - - -	1096	December - - - - -	*660
June 30 - - - - -	1140	1796. January - - - - -	558
September 28 - - - - -	1270	March - - - - -	490
December 29 - - - - -	1186	May - - - - -	438
1788. March 29 - - - - -	1124	July - - - - -	414
June 28 - - - - -	1240	September - - - - -	418
September 27 - - - - -	1404	December - - - - -	414
December 24 - - - - -	1438	1797. January - - - - -	338
1789. March 28 - - - - -	1462	February 4 - - - - -	340
June 27 - - - - -	1634	11 - - - - -	356
September 26 - - - - -	1764	18 - - - - -	314
December 24 - - - - -	1756	21 - - - - -	298
1790. March 26 - - - - -	1712	22 - - - - -	284
June 25 - - - - -	1652	23 - - - - -	268
September 24 - - - - -	1684	24 - - - - -	} 210
December 31 - - - - -	1616	25 - - - - -	

* This number has been stated to represent fair cash.

T A B L E

TABLE II.

SHewing THE STATE OF THE FINANCES OF THE BANK ON THE 26TH OF
FEBRUARY, 1797.

Dr	£.	Cr	£.
Bank-Notes in circulation -	8,640,250	Advances on Government-	
Drawing Account. — Audit-		Securities - - - - -	10,672,490
Roll, Exchequer-Bills de-		By all other credits, including	
posited, and other debts, *	5,130,140	Cash, Bullion, Bills dis-	
		counted, &c. - - - -	6,924,790
	13,770,390		
Balance - - - - -	3,826,890		
	17,597,280		*17,597,280

* PARTICULARS OF DEBIT-ACCOUNT.

	£.
Drawing Account - - - - -	2,389,600
Exchequer-Bills deposited - - - -	1,676,000
Audit-Roll (or unpaid Dividends) -	983,730
Bank-Stock Dividends unclaimed - -	45,150
Dividends unclaimed on East-India An-	
nualties - - - - -	10,210
Sundry small articles unclaimed - -	1,330
Due from Chief Cashier, on the Loan	
of 1797 - - - - -	17,060
Unpaid Irish Dividends - - - - -	1,460
Ditto, on the Imperial Loan - - - -	5,600
	5,130,140

* PARTICULARS OF CREDIT-ACCOUNT.

	£.
Bills and Notes discounted, Cash and	
Bullion - - - - -	4,176,080
Exchequer-Bills - - - - -	8,228,000
Lands and Tenements - - - - -	65,000
Money lent on Mortgage, on Annu-	
ties of £1,200,000 to the East-India	
Company - - - - -	700,000
Stamps - - - - -	1,510
Navy and Victualling Bills - - - -	15,890
American Debentures, 1790 - - - -	54,150
Petty cash in the House - - - - -	5,320
Sundry articles - - - - -	24,150
Five per Cents. Ann. from Navy - -	795,800
Five per Cents. 1797 - - - - -	1,000,000
Treasury-Bills paid for Government -	1,512,270
Loan to Government without Interest,	376,000
Bills discounted, unpaid - - - - -	88,120
Treasury and Exchequer Fees - - -	740
Interest due on different sums advanced	
to Government - - - - -	554,250
	17,597,280

TABLE

T A B L E III.

BEING A SCALE OF DISCOUNTS FROM 1782 TO 1797, IN WHICH UNIT IS THE MEDIUM.

<i>Year.</i>	<i>Scale.</i>	<i>Year.</i>	<i>Scale.</i>
1782 - - -	1 to $1\frac{3}{4}$	1790 } - - -	1 to $\frac{1}{2}$ to $\frac{1}{4}$
1783 - - -	$1\frac{1}{4}$ to 1 to $1\frac{1}{2}$	1791 } - - -	
1784 - - -	$1\frac{1}{4}$ to $1\frac{3}{4}$	1792 - - -	$\frac{1}{2}$ to 1
1785 - - -	$1\frac{3}{4}$ to 2 to $1\frac{1}{4}$	1793 - - -	1 to $3\frac{1}{2}$ to 1
1786 - - -	about 1	1794 - - -	1 to $1\frac{1}{2}$ to 1
1787 - - -	$1\frac{1}{4}$ to $1\frac{1}{2}$	1795 - - -	1 to $\frac{1}{2}$ to 1
1788 - - -	$1\frac{1}{4}$ to $1\frac{3}{4}$ to $\frac{3}{4}$	1796 - - -	$1\frac{1}{2}$ to 2 to $1\frac{1}{2}$ to 2
1789 - - -	$\frac{3}{4}$ to $\frac{1}{2}$	1797 - - -	2 to $1\frac{1}{2}$ to $2\frac{1}{2}$ *

T A B L E IV.

BEING A MONTHLY SCALE OF DISCOUNTS FOR THE YEARS 1793, 1794, 1795, AND 1796.

1793.	No.	1794.	No.	1795.	No.	1796.	No.
January 5,	214	January 4,	101	January 4,	104	January 2,	179
February 1,	209	February 1,	110	February 7,	107	February 6,	152
March 2,	217	March 1,	131	March 7,	103	March 5,	127
April 6,	320	April 5,	137	April 11,	187	April 2,	131
May 4,	283	May 3,	139	May 2,	176	May 7,	129
June 1,	231	June 13,	147	June 6,	157	June 3,	168
July 6,	178	July 5,	149	July 4,	220	July 2,	165
August 3,	123	August 2,	120	August 1,	151	August 6,	163
September 7,	93	September 6,	90	September 5,	85	September 3,	151
October 5,	102	October 4,	92	October 3,	79	October 1,	189
November 8,	91	November 8,	85	November 7,	96	November 3,	178
December 7,	89	December 1,	85	December 5,	140	December 3,	171

* This is brought down to the 16th of March, or thereabouts.

By

By comparing these Tables with each other, and also with some parts of the evidence delivered before the Committees, it will appear that the truth, which they were intended to conceal, is, in a great degree, capable of being unravelled. I have very good reason for believing (although the circumstance is not inserted in either of the reports) that one of the Directors acknowledged that the Bank, in the course of six days before it stopped payment, had been drained of its cash after the rate of £100,000 each day. From the 18th to the 25th of February, therefore, the sum of £600,000 was paid, and the fictitious number was, in consequence, reduced from 314 to 210. Hence it follows, that the mean number 660 denotes the sum of *four millions*, and that the sum of 1,272,000, represented by the number 210, was very nearly the cash remaining in the Bank, on the day in which the Directors were prohibited, by an Order of Council, from the farther payment of their notes in money.

In Table II, it appears, that the amount of cash and bullion, and bills discounted, on the 26th of February, was £4,176,080. Deducting £1,272,000 from this sum, the remainder, or £2,904,080, will be the whole amount of the discounts on that day.

In Table III, the scale of discounts, in the beginning of the year 1797, is expressed by the number 2; and, on the 16th of March following, by the number $2\frac{1}{2}$. In February, therefore, it is most probably expressed by the intervening number $1\frac{1}{2}$. Now, since *unit* is the medium, and the amount of the discounts on the 26th of February appears to be three millions nearly, it is highly probable that this unit denotes two millions, and consequently that the fraction $\frac{1}{2}$ denotes one million. The truth of this supposition is, in a great measure, confirmed by the evidence of Mr. Giles,* who acknowledges, that, in the course of a little more than a fortnight after the Bank had stopped payment, they had increased their discounts about two millions: and, in consequence, we find the scale is increased an unit, from $1\frac{1}{2}$ to $2\frac{1}{2}$, which accords exactly with this evidence. Comparing the numbers in Table III with those in the following Table, the mean number in the latter, or that which expresses two millions, appears to be 90. If, therefore, the cash and bullion, and the discounts, be reduced agreeable to those solutions, their amount, compared with the Bank-notes in circulation, and the advances to

* See Extract from Report of Secret Committee, Appendix, page 52.

Government, (as stated in the Reports of the Committees,) will be as follows:

<i>Date.</i>	<i>Cash and Bullion.</i>	<i>Average of Bank-Notes circulated.</i>	<i>Bills discounted.</i>	<i>Average Advances to Government.</i>
1793. March	3,508,000	11,963,820	4,817,000	8,735,200
June	4,412,000	12,100,650	5,128,000	9,434,000
Sept.	6,836,000	10,938,620	2,065,000	9,455,700
Dec.	7,720,000	10,967,310	1,976,000	8,887,500
1794. March	8,608,000	11,159,720	2,908,000	8,494,100
June	8,208,000	10,366,450	3,263,000	7,735,800
Sept.	8,096,000	10,343,940	2,000,000	6,779,800
Dec.	7,768,000	10,927,970	1,887,000	7,545,100
1795. March	7,940,000	12,432,240	2,287,000	9,773,700
June	7,356,000	10,912,680	3,485,000	10,879,700
Sept.	5,792,000	11,034,790	1,887,000	10,197,600
Dec.	4,000,000	11,608,670	3,109,000	10,863,100
1796. March	2,972,000	10,824,150	2,820,000	11,351,000
June	2,582,000	10,770,200	3,730,000	11,269,700
Sept.	2,532,000	9,720,440	3,352,000	9,901,100
Dec.	2,508,000	9,645,710	3,796,000	9,511,400
1797. Feb. 26	1,272,000	8,640,250	2,905,000	10,672,490

It is curious to observe, from this Table, what little service the Bank of England has rendered to the commercial interest of this kingdom, and of how much less importance its concerns are to the real welfare of the state, than the pride and credulity of the nation had always imagined them to be. Accustomed to soothe our vanity with the idea of the immensity of the Bank, both as to its credit and the extent of its transactions, what surprise must we feel, in finding that this credit, before the last year, had seldom exceeded three or four millions, and that the concerns, which we had represented to ourselves as of so much consequence to our trade and manufactures, were limited to discounts still more trifling and inconsiderable! How must our lofty sentiments of the wisdom and greatness of this Company be depressed by learning that their notes, to which we hardly dared to assign any limits, have seldom amounted to £12,000,000, and that often this circulating-paper has been very nearly equalled by the hoards of cash and bullion in the coffers of the Bank! We had hitherto been led to believe that the tottering foundations of private credit had, on many occasions, been upheld by the support of this Company; and particularly that the assistance, which they had given to our com-

mercantile difficulties in the year 1793, was an exertion almost too bold even for their stupendous resources. But if the amount of our exports and imports be accurately stated by the officers of the Customs, how inconsiderable does this assistance appear to have been! I think the preceding statements incontestably prove that neither our foreign trade nor our commercial intercourse at home have derived much advantage from the operations of this Bank. Its chief energies have been unequivocally directed to another quarter. The advances to Government have generally been four or five times greater than the private discounts; and it is evident, that, in proportion as the former are extended, the ability to increase the latter must be diminished. I shall not enter into the propriety of assisting trade by such an institution. I only mean in this paper to shew, that, if our merchants and manufacturers wanted such support, they have been very scantily supplied with it by the Bank. To those who are ignorant of the nature of this establishment, and who look over the foregoing statements with the least attention, it must appear as if its principal purpose had been to enable a Minister to lavish the public revenue much faster than it could ever be collected; and to furnish him with the means of engaging in the most extravagant and ruinous expense, before his prodigality could be submitted to the deliberation of Parliament.

London, Oct. 16, 1797.

M. N.

A COPY of the CHARTER of the Corporation of the Governor and Company of the Bank of England.

WILLIAM and MARY, by the grace of God, King and Queen of England, Scotland, France, and Ireland, Defenders of the Faith, &c. to all to whom these presents shall come, greeting. Whereas, in and by a certain Act, lately made in Parliament, intituled, An Act for granting to their Majesties several rates and duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors, for securing certain recompenses and advantages, in the said act mentioned, to such persons as shall voluntarily advance the sum of fifteen hundred thousand pounds towards carrying on the war against France, it is, amongst

Recital of the
Act 5th and
6th Will. and
Mary, chap.
20, page 323.

15.06/000

amongst other things, enacted, that, for and during the term of four years, Page 324.
 commencing from the 1st day of June, in the year of our Lord 1694, there
 should be, throughout the kingdom of England, dominion of Wales, and
 town of Berwick-upon-Tweed, raised, levied, collected, and paid, for and
 upon the tonnage of all ships and vessels wherein, at any time or times; and
 for every time, during the said term of four years, there should be imported
 any goods or merchandizes into this kingdom of England, dominion of Wales,
 or town of Berwick-upon-Tweed, from any parts, places, or countries, in
 the said act mentioned, and wherein, during the said term, there should be
 carried coastwise from any port, member, or creek, in the kingdom of Eng-
 land, dominion of Wales, or town of Berwick-upon-Tweed, unto any other
 port, creek, or member, within the same kingdom, dominion, port, or town,
 the several and respective rates, impositions, duties, and sums of money, in
 the said act mentioned. And that, from and after the 17th day of Page 332.
 May, which shall be in the year of our Lord God 1697, there shall be,
 throughout the said kingdom of England, dominion of Wales, and town of
 Berwick-upon-Tweed, raised, levied, collected, and paid, unto us, our heirs,
 and successors, for beer, ale, cider, and other liquors, certain additional rates
 or duties of excise, in the said Act particularly expressed. And that, weekly; Page 336.
 to wit, on Wednesday in every week, if it be not a holiday, and, if it be,
 then the next day after that is not a holiday; all and every the moneys
 arising by the rates and duties by the said act granted should be paid into
 the receipt of the Exchequer, under certain penalties therein mentioned. And Page 339.
 that, yearly and every year, reckoning the first year to begin from the 1st
 day of June, in the year of our Lord 1694, the full sum of one hundred
 and forty thousand pounds, by or out of the said moneys to arise by
 the said several duties upon the tonnage of ships and vessels, and by the
 said rates and duties of excise, or any of them, and to be brought into the
 receipt of the Exchequer by weekly payments as aforesaid, in case the said
 weekly payments shall extend thereunto, should be the whole and entire yearly
 fund. And, in case the said weekly payments should not amount to one
 hundred and forty thousand pounds per annum, then the said weekly moneys,
 or payments, so far as the same will extend, should be part of the yearly
 fund for and towards the answering and paying of the several annuities, and
 other purposes in the said act expressed. And, in case the said duties upon
 the tonnage of ships and vessels, and the said rates and duties of excise, or

any of them, should, at any time or times, appear to be so deficient or low in the produce of the same, as that, within any one year to be reckoned as aforesaid, the weekly payments upon the said rates or duties, or any of them, shall not amount to so much as one hundred and forty thousand pounds, or to so much as shall be sufficient to discharge and satisfy the said several and respective annuities, and other benefits or advantages, by the said act intended or appointed to be paid within or for the same year respectively, that then, and so often, and in every such case, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer now being, and the Treasurer and Under-Treasurer of the Exchequer, or Commissioners of the Treasury, for the time being, are thereby strictly enjoined and required, by virtue of the said act, and without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or successors, in this behalf, to cause every such deficiency to be made good, by applying, issuing, or paying, so much of any treasure or revenue belonging or to belong unto us, our heirs or successors, not being appropriated to any particular use or uses by any Act or Acts of Parliament, towards the discharging or paying of the said annuities, or other benefits or advantages, appointed to be paid by the said Act, as, together with the moneys which shall have been brought into the said receipt, of or for the said several rates or duties, shall be sufficient to pay off and discharge, and shall completely pay off and discharge, all the moneys which, within the same year, respectively, shall be grown due, or ought to be paid, upon the said annuities, or other benefits or advantages, according to the true intent and meaning of the said Act. 2/ And it is thereby farther enacted, that it should and might be lawful to and for us, by commission under the great seal of England, to authorize and appoint any number of persons to take and receive all such voluntary subscriptions as should be made on or before the 1st day of August, in the year of our Lord 1694, by any person or persons, natives or foreigners, bodies politic or corporate, for and towards the raising and paying into the receipt of the Exchequer the sum of twelve hundred thousand pounds, part of the sum of fifteen hundred thousand pounds in the said act mentioned; and that the yearly sum of one hundred thousand pounds, part of the said yearly sum of one hundred and forty thousand pounds, arising by and out of the duties and impositions aforementioned, should be applied, issued, and directed, and is thereby appropriated, to the use and advantage of such person and persons, bodies politic and corporate, as should
make

make such voluntary subscriptions and payments, their heirs, successors, or assignees; and that each weekly or other payment, arising by and out of the said duties and impositions, should, by the auditor of the receipt of the Exchequer, from time to time, as the same shall be paid in, be separated and divided into five-seventh parts, and two-seventh parts; and that the said five-seventh parts of the said several payments, arising by and out of the duties and impositions aforesaid, and so set apart, shall be appropriated for and towards the payment and satisfaction of the said yearly sum of one hundred thousand pounds, and shall, from time to time, be issued and paid, as the same shall come into the said receipt of Exchequer, to the uses and advantages of such subscribers and contributors, their heirs, successors, or assignees, as should subscribe and contribute for and towards the raising and paying into the said receipt of Exchequer the said sum of twelve hundred thousand pounds; and Page 343. that it should and might be lawful for us, by letters patent under the great seal of England, to limit, direct, and appoint, how and in what manner and proportions, and under what rules and directions, the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, and the said yearly sum of one hundred thousand pounds, part of the said yearly sum of one hundred and forty thousand pounds, and every or any part or proportion thereof, may be assignable or transferrable, assigned or transferred, to such person or persons only as shall freely and voluntarily accept of the same, and not otherwise, and to incorporate all and every such subscribers and contributors, their heirs, successors, or assignees, to be one body corporate and politic, by the name of the Governor and Company of the Bank of England, to have perpetual succession, and with such privileges and powers, and to be under such rules, as are therein mentioned, subject, nevertheless, to a certain proviso or condition of redemption in the said act contained. And it is thereby farther enacted, that, in case the said whole sum of twelve hundred thousand pounds shall not be advanced and paid into the receipt of the Exchequer before the 1st day of January, which shall be in the year of our Lord 1694, that then the subscribers and contributors for and towards the raising and paying the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, their heirs, successors, and assignees, shall only have and receive so much, and such part and proportion to the said sum and sums so respectively paid and advanced, as shall be after the rate of eight pounds per cent. per annum. And, for the better and more Page 344. speedy

speedy

speedy payment of the said yearly sum of one hundred thousand pounds, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer, now being, and the High-Treasurer, and Under-Treasurer or Commissioners, of the Treasury, for the time being, are thereby strictly enjoined and required by virtue of the said act, and, without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or successors, to direct their warrants yearly for the payment of the said yearly sum of one hundred thousand pounds to the contributors of the said sum of twelve hundred thousand pounds, in such manner and proportions as are therein directed and appointed, and the auditor of the receipt of our Exchequer, and all other officers of the Exchequer, now, and for the time being, are thereby directed and enjoined to issue the said moneys so set apart for the uses aforementioned, from time to time, without any fee or reward, and under such penalties as are, by the said Act, to be inflicted. And, in the said Act, is contained a proviso, that, in case the whole sum of twelve hundred thousand pounds, or a moiety thereof, should not be subscribed on or before the 1st day of August, 1694, aforesaid, that then the powers and authorities in the said Act for erecting a Corporation, as aforesaid, should cease and determine. And it is farther enacted, that any moneys, payable to any person or persons upon or by virtue of the said Act, shall not be charged or chargeable with any rates, duties, or impositions, whatsoever, as, in and by the said Act of Parliament, (amongst divers other matters and things therein contained, relation being thereunto had,) may more fully appear. And whereas, in pursuance of the said Act, we did, by our commission or letters patent, under the great seal of England, bearing date, at Westminster, the 15th day of June now last past, nominate, constitute, authorize, and appoint, our trusty and well-beloved Sir William Ashhurst, Knight, Mayor of our city of London, &c. [*Here follow the names of the Commissioners.*] to be our Commissioners to take and receive all such voluntary subscriptions as should be made on or before the said 1st day of August, in the year of our Lord 1694, by any person or persons, natives or foreigners, or by or for any body politic or corporate, for or towards the raising and paying the said sum of twelve hundred thousand pounds, part of the said sum of fifteen hundred thousand pounds, in the said Act mentioned, with power and direction to them, or such or so many of them, as are thereby authorized and appointed to take such subscriptions, and to do and perform such matters and things, in relation thereunto, as are thereby enjoined. And we

Page 348.

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Recital of the
Commission.

we did, in and by the same, promise and declare, that, in case the whole sum of twelve hundred thousand pounds, or the moiety or any greater part thereof, should be subscribed on the said Act, or in pursuance of the said commission, on or before the said 1st day of August then next ensuing, that then we, our heirs or successors, should and would, immediately after the said 1st day of August, or so soon as twelve hundred thousand pounds should be subscribed as aforesaid, (which of them should first happen,) grant and make forth our royal charter, or letters patent, under the great seal of England, and thereby incorporate all and every such subscribers and contributors who should be then living, and who should not have assigned their interest in their said subscriptions; and, in case any of them should be dead, the heirs of such subscribers; and, in case any of the said subscribers should have assigned their interest in their said subscriptions, in all such cases the assignees of such subscribers to be one body corporate and politic, by the name of the Governor and Company of the Bank of England, with such powers, capacities, privileges, benefits, liberties, and advantages, and under and subject to such rules, restrictions, power of redemption, provisos, limitations, and clauses, as are therein mentioned or referred unto. And we did thereby for us, our heirs, and successors, declare, limit, direct, and appoint, that the whole sum or amount of all and every the sum and sums of money, as should be subscribed and paid as aforesaid, should be, and be called, accepted, esteemed, reputed, and taken a common capital and principal stock, and all and every person and persons, his, her, and their heirs, successors, and assignees, according and in proportion to the sum or sums of money, by him, her, or them, respectively subscribed and paid thereunto, should have, and be deemed to have, an interest or share in the said principal stock, and of and in the yearly fund, granted by the said act of parliament as aforesaid, and that such interest or share, or any part thereof, should be assignable and transferrable, and should and might be assigned and transferred, by any person or persons entitled thereunto, to any other person or persons, and so over as fully and effectually as any other interest whatsoever is by law assignable, so as such assignments or transferrances should be made in writing, and be entered or registered in such manner as is hereafter mentioned, (that is to say,) all assignments or transferrances which should be made on or before the said 1st day of August next ensuing, or the full and complete subscribing of the said twelve hundred thousand pounds (which should first happen), and before the granting of these presents, were thereby directed to be entered or registered in the office of the auditor of the receipt of our Exchequer, within six days after the making of the said respective assignments;

Recital of the
duplicates
transmitted
into the Au-
ditor's office.

Incorpora-
ting clause.

assignments; and all assignments, or transferrances, which should be made after the granting of this our charter of incorporation should be made, entered, and registered, in such form as should be prescribed in these presents. And in the said commission are contained several other powers, directions, agreements, clauses, matters, and things, as in and by the same, relation being thereunto had, more fully and at large appears. And whereas it appears by duplicates transmitted into the office of the auditor of the receipt of our Exchequer, under the hands and seals of five or more of our said commissioners, being a competent and sufficient number for that purpose, and made in pursuance of our directions in the said commission contained, that several sums, amounting, in the whole, to the sum of twelve hundred thousand pounds, have been subscribed, and the first fourth part thereof paid to our said commissioners, or some of them, pursuant to the said act of parliament, on or before the 2d day of July last past, by or for Sir William Ashhurst, Knight, Mayor of our City of London, &c. [*Here follow the names of the several subscribers.*]

Now know, ye, that we, being desirous to promote the public good and benefit of our people, which, in these presents, are chiefly designed and intended, as well as the profit and advantage of all such as have subscribed and contributed according to the said Act of Parliament, and our said commission thereupon issued, their heirs, successors, and assignees, respectively, and in pursuance as well of the powers and clauses for this purpose, contained in the said Act of Parliament, as of our gracious promise and declaration, made in or by our said Commission, or Letters Patent, under the Great Seal of England, whereby the subscriptions and contributions on the said Act have been promoted or encouraged, and by virtue of our prerogative royal, and likewise of our especial grace, certain knowledge, and mere motion, have given, granted, made, ordained, constituted, declared, appointed, and established; and, by these presents, for us, our heirs, and successors, do give, grant, make, ordain, constitute, declare, appoint, and establish, that the said Sir William Ashhurst, &c. [*Here the names of the said several subscribers are repeated.*] and all and every other person and persons, natives and foreigners, bodies politic or corporate, who, over and above the persons before especially named, have, at any time or times before the making of these presents, subscribed and contributed any sum or sums of money towards the said sum of twelve hundred thousand pounds so subscribed, pursuant to the said act, and our said commission, and have paid the fourth part thereof upon their said subscriptions, and who are now living or existent, and have not assigned their interest in the said subscriptions; and all and every the heirs and successors of any of the said original subscribers, who are now dead, and have

have not in their life-times assigned their interests in the said subscriptions, and the heirs and successors of such of the said assignees who are now dead, and did not in their life-times assign or depart with their interest in the said stock and annual fund, and all and every person and persons, natives or foreigners, bodies politic and corporate, who, either as original subscribers of the said sum of twelve hundred thousand pounds so subscribed, and not having parted with their interests in their subscriptions, or as heirs, successors, or assignees, or by any other lawful title derived, or to be derived, from, by, or under, the said original subscribers of the said sum of twelve hundred thousand pounds so subscribed, or any of them, now have, or, at any time or times hereafter, shall have, or be entitled to, any part, share, or interest, of or in the principal or capital stock of the said Corporation, or the said yearly fund of one hundred thousand pounds, granted by the said Act of Parliament, or any part thereof, so long as they respectively shall have any such part, share, or interest, therein, shall be, and be called, one body politic and corporate, of themselves, in deed and in name, by the name of the Governor and Company of the Bank of England; and them by that name, one body politic and corporate, in deed and in name, we do, for us, our heirs and successors, make, create, erect, establish, and confirm for ever, by these presents; and, by the same name, they and their successors shall have perpetual succession, and shall and may have and use a common seal, for the use, business, or affairs, of the said body politic and corporate, and their successors, with power to break, alter, and to make ^{May have a} anew, their seal from time to time, at their pleasure, and as they shall see cause. ^{common seal.} And, by the same name, they and their successors in all times coming shall be able and capable, in law, to have, take, purchase, receive, hold, keep, possess, enjoy, and retain, to them and their successors, any manors, messuages, lands, rents, tenements, liberties, privileges, franchises, hereditaments, and ^{May pur-} possessions, whatsoever, and of what kind, nature, or quality, soever; and, ^{chase and} moreover, to purchase and acquire all goods and chattels whatsoever wherein ^{hold.} they are not restrained by the said Act, and also to sell, grant, demise, alien, and dispose of, the same manors, messuages, lands, rents, tenements, privileges, franchises, hereditaments, possessions, goods, and chattels, or any of them. And, ^{Sue and be} by the same name, they and their successors shall and may sue and implead, ^{fued.} and be sued and impleaded, answer and defend, and be answered and defended, in courts of record, or any other place whatsoever, and before whatsoever judges, justices, officers, and ministers, of us, our heirs and successors; and in all and singular pleas, actions, suits, causes, and demands, whatsoever, of
 O what

what kind, nature, or sort, soever, and in as large, ample, and beneficial, manner and form as any other body politic and corporate, or any other the liege people of England, or other our dominions, being persons able and capable in law, may or can have, take, purchase, receive, hold, keep, possess, enjoy, sell, grant, demise, alien, dispose, sue, implead, defend, or answer, or be sued, impleaded, defended, or answered, in any manner of wise, and shall and may do and execute all and singular other matters and things, by the name aforesaid, that to them shall or may appertain to do, by virtue of the said Act or otherwise; subject, nevertheless, to the proviso and condition of redemption in the said Act mentioned, and to all and every other clauses, provisos, and conditions, in the said Act contained. And we do hereby declare, that all persons, having any interest or part in the capital stock or fund of the said Corporation, either as original subscribers, or by assignments, or as heirs, or otherwise, shall be, and be, esteemed Members of the said Corporation, and shall be admitted into the same, without any fee or charge whatsoever. And we do hereby, for us, our heirs and successors, declare, limit, direct, and appoint, that the aforesaid sum of twelve hundred thousand pounds, so subscribed as aforesaid, shall be, and be, called, accepted, esteemed, reputed, and taken, *the common capital and principal stock of the Corporation hereby constituted.*

Subject to redemption. And all and every person and persons, his, her, and their, heirs, successors, and assignees, according and in proportion to the sum or sums of money by him, her, or them, respectively subscribed as aforesaid, shall have, and be deemed to have, an interest or share in the said principal stock, and of and in the yearly fund of one hundred thousand pounds, granted by the said Act of Parliament. And we do hereby, for us, our heirs and successors, authorize, enjoin, and require, the commissioners of our Treasury, and under-treasurer of our Exchequer now being, and the high-treasurer, commissioners of the Treasury, and under-treasurer of us, our heirs and successors, for the time being, without any farther or other warrant to be had or obtained from us, our heirs or successors, to direct their warrants and orders, according to the said Act, for the payment of the said yearly sum of one hundred thousand pounds, by and out of the five-seventh parts (the whole into seven equal parts to be divided) of the moneys arising by the rates and duties granted by the said Act, and thereby appointed to be kept apart for the payment of the said yearly fund of one hundred thousand pounds, to the said Governor and Company of the Bank of England, and their successors for ever, under and subject, nevertheless, to the payment of the issues, fines, amerciaments, and debts, upon judgements against the said Corporation, according to the purport of the said Act.

Subscribers and assignees shall be members of the incorporation. Subscription-money called stock. Subscribers to be interested in the stock and fund. Directions to the Treasury.

The

The first year to be reckoned to begin from the 1st day of June, in the year of our Lord Christ 1694; and we do hereby direct and enjoin the commissioners of our Treasury, and the treasurer, commissioners of the Treasury, and under-treasurer of the Exchequer, and the auditor of the receipt of our Exchequer, and all other the officers of the Exchequer, of us, our heirs and successors, now and for the time being, from time to time, to issue and pay the said five-seventh parts of the moneys arising by the duties granted by the said Act, or so much thereof as shall be sufficient for this purpose, to the said Governor and Company of the Bank of England, and their successors, by weekly payments or otherwise, as the same or any part thereof shall, from time to time, come into the receipt of the Exchequer, for and towards satisfaction of the said yearly sum of one hundred thousand pounds. And, in case five-seventh parts of the said weekly payments, in the said Act mentioned, and intended to be the yearly fund, for the recompense of the said subscribers, shall not amount unto so much as the yearly sum of one hundred thousand pounds, which is the annual fund thereby established for the said Corporation to receive; then we do hereby, for us, our heirs and successors, grant and agree to and with the said Governor and Company, and their successors, that five-seventh parts of the said weekly moneys or payments, so far as the same will extend, shall be part of the said yearly fund of one hundred thousand pounds; and in case the said duties, by the said Act granted, or any of them, shall at any time or times appear to be so deficient or low in the produce of the same, as that within any one year, to be reckoned from the 1st day of June as aforesaid, five-seventh parts of the weekly payments upon the same rates and duties, or any of them, shall not amount to so much as one hundred thousand pounds within or for the same year respectively, that then, and so often, and in every such case, we do hereby authorize, enjoin, and require, the Commissioners of our Treasury, and the Under-Treasurer of the Exchequer now being, and the Treasurer and Under-Treasurer of the Exchequer or Commissioners of the Treasury for the time being, of us, our heirs and successors, forthwith, and without any farther or other warrant to be sued for, had, or obtained, from us, our heirs or successors, in that behalf, to cause every such deficiency to be made good, by applying, issuing, or paying, so much of any treasure or revenue belonging, or to belong, to us, our heirs or successors, (not being appropriated to any particular use or uses, by any Act or Acts of Parliament,) towards the discharging or paying of the said yearly fund of one hundred thousand pounds, as, together with five-seventh parts of the moneys which shall have been brought into the receipt of the Exchequer of or for the said

Organization
The constitu-
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Company.

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First Gover-
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Governor.

First twenty-
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tors.

Continuance
in their offi-
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Power to af-
semble.

several rates or duties by the said Act granted, shall be sufficient to pay off and discharge, and shall completely pay off and discharge, the said yearly fund of one hundred thousand pounds, according to the true intent and meaning of the said Act and of these presents. And, for the better ordering, managing, and governing, the stock and other affairs of the said Corporation, and for the making and establishing a continual succession of persons to be Governor, Deputy-Governor, and Directors, of the said Corporation, we do, by these presents, for us, our heirs and successors, grant unto the said Governor and Company of the Bank of England, and their successors, and do hereby ordain and appoint, that there shall be, from time to time, for ever, (of the Members of the said Company,) a Governor, Deputy-Governor, and twenty-four Directors, of and in the said Corporation; which Governor, Deputy-Governor, and Directors, or any thirteen or more of them, (of which the Governor or Deputy-Governor to be always one,) shall be, and be called, a Court of Directors, for the ordering, managing, and directing, the affairs of the said Corporation, and shall have such powers and privileges as are herein-after mentioned. And we do hereby nominate, constitute, ordain, and appoint, that Sir John Houblon, Knt. who is chosen for this purpose by a majority of the said subscribers, having five hundred pounds each in the said capital stock, pursuant to certain clauses in our said commission contained, shall be the present and first Governor; and that Michael Godfrey, Esq. who is chosen in like manner, shall be the present and first Deputy-Governor; and that Sir John Huband, Bart. Sir James Houblon, Sir William Gore, Sir William Scawen, Sir Henry Furnese, Sir Thomas Abney, Sir William Hedges, Knts. Brook Bridges, James Bateman, George Boddington, Edward Clerke, James Denew, Thomas Goddard, Abraham Houblon, Gilbert Heathcote, Theodore Janssen, John Lordell, Samuel Lethieullier, William Paterfon, Robert Rarworth, John Smith, of Beaufort-Buildings, Obadiah Sedgwick, Nathaniel Tench, and John Ward, Esqrs. who are severally chosen, in like manner, by a majority of like subscribers, shall be the present and first Directors of the said Corporation. And the said Governor, Deputy-Governor, and Directors, shall continue in their respective offices until the 25th day of March, which shall be in the year of our Lord 1696, and until others shall be duly chosen in their respective offices, and sworn into the same, unless they, or any of them, shall sooner die or be removed, as is herein after-mentioned. And we do farther, by these presents, for us, our heirs and successors, give and grant unto the said Governor and Company of the Bank of England, and we do hereby

hereby ordain, will, and appoint, that it shall and may be lawful to and for all and every the Members of the said Corporation, or body politic, from time to time, to assemble and meet together at any convenient place or places for the choice of their Governor, Deputy-Governor, and Directors, and for the making of bye-laws, ordinances, rules, orders, or directions, for the government of the said Corporation, and for any other affairs or business concerning the same, public notice thereof being first given by writing, to be affixed upon the Royal Exchange in London two days at least before the time appointed for such meeting; and that all the Members of the said Corporation, or so many of them as shall be so assembled, shall be, and be, called a general court of the said Corporation, which court shall meet and assemble at such times and in such manner as herein-after is directed. And that all succeeding Governors, Deputy-Governors, and Directors, of the said Corporation, shall, from and after the 25th day of March, in the year of our Lord 1696, be yearly and successively chosen, for ever, out of the Members of the said Corporation, on some day or days, or times, between the 25th day of March and the 25th day of April in each year, by the majority of votes of all and every the Members of the said Corporation, having then each of them in their own right five hundred pounds, or more, share or interest in the said capital stock and fund of the said Corporation, and who shall be personally present at such elections, each of them to have and give one vote, and no more; which succeeding Governors, Deputy-Governors, and Directors, so chosen, shall severally and respectively continue in their respective offices to which they shall be severally elected for one year, and till others shall be duly chosen and sworn into their places respectively. Provided nevertheless, that, in case of death, avoidance, or removal, of the Governor, Deputy-Governor, or any of the Directors, of the said Corporation, for the time being, the survivors of them, or the majority of those remaining in their office, shall and may at any time assemble together the Members of the said Corporation, in order to elect other persons, by Members qualified to vote in manner aforesaid, in the room of those dead, removed, or avoided; and that every Deputy-Governor (in the absence of the Governor) shall have the same power as a Governor. Provided nevertheless, and we do hereby will, ordain, constitute, appoint, and command, that no person or persons shall be, or be, esteemed, qualified, or capable, to be an Elector to vote, or shall give any vote at any general court, or otherwise, for an election of Governor, Deputy-Governor, or Directors, or any of them, or for or concerning the making of bye-laws, or in any other matters relating to the affairs or government of the said

Notice of general courts.

Election of succeeding Governor, Deputy-Governor, and Directors.

In case of death.

Governor absent. Qualification of Electors.

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2) from the by shares
3) from the by shares

vote 1 share chosen
long assembly
to be qualified to vote

Supplies for
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said Corporation, who shall not, at the time of such general court, have in his, her, or their, name and right, and for his, her, or their, own use, and not in trust for any other, five hundred pounds or more share or interest in the said capital stock of the said Corporation: and who also shall not, at the time of holding any such general court, take the oath hereafter mentioned, if required thereunto by any Member or Members of the said Corporation then present, having each five hundred pounds share or interest, at least, in the said capital stock, before the Governor, or Deputy-Governor, or any two or more of the Directors, of the said Corporation, viz. *I, A. B. do swear, that the sum of five hundred pounds, or more, of the capital stock of the Body politic, called by the name of the Governor and Company of the Bank of England, doth at this time belong to me, in my own right, and not in trust for any other person or persons whatsoever.* And we do hereby constitute, ordain, and appoint, that no one Member of the said Corporation shall, in any election of Governor, Deputy-Governor, Director, or other Officer, of the said Corporation, or in any the business or affairs of the said Corporation, have or give any more than one vote, whatever his share or interest in the said capital stock shall be. Provided nevertheless, that any person or persons commonly called, or known to be, Quakers, who, at the time of holding such general court, as aforesaid, shall have five hundred pounds interest or share, or more, in the said capital stock, and shall then (if thereunto required by any Member or Members of the said Corporation then present, having each five hundred pounds share or interest, at least, in the said capital stock) make and sign the following declaration, to wit, *I, A. B. do sincerely and solemnly declare, in the presence of God, that the sum of five hundred pounds, or more, of the capital stock of the Body politic, called by the name of the Governor and Company of the Bank of England, doth at this time belong to me, in my own right, and not in trust for any other person or persons whatsoever,* shall be capable of having a vote at any general court of the said Corporation.. And we do, by these presents, for us, our heirs and successors, give full power and authority to the Governor, or Deputy-Governor, or any two or more of the Directors, of the said Corporation, for the time being, to give and administer the said oath and declaration to the said Members; and do hereby order and direct them to administer the same accordingly.

Provided farther, and we do hereby, for us, our heirs and successors, constitute, ordain, and appoint, that no person shall, at any time, be capable of being chosen a Governor of the said Corporation, unless he shall, at the time of such election, be a natural-born subject of England, or naturalized; and shall also then have in

Oath of Electors.
 None to have above one vote.
 Proviso for Quakers.
 Power to administer the oaths and declaration to Electors.
 Qualification of Governor.

his

his own name, in his own right, and for his own use, four thousand pounds, or more, in the capital stock of the said Corporation. And that no person shall, at any time, be capable of being chosen Deputy-Governor of the said Corporation, ^{Qualification of Deputy-Governor.} unless he shall, at the time of such election, be a natural-born subject of England, or naturalized; and shall then also have in his own name, in his own right, and for his own use, three thousand pounds or more in the capital stock of the said Corporation. And that no person shall be capable of being chosen a Director of the said Corporation, who shall not, at the time of such choice, be a natural-born subject of England, or naturalized; and shall also then have in his own name, in his own right, and for his own use, two thousand pounds, or more, in the said capital stock. And that no Governor, Deputy-Governor, or Directors, ^{Qualification of Directors.} shall continue in his or their respective offices longer than the continuance of ^{Office vacant by lessening stock.} such their respective interests and stocks, in their own names and rights, and to their own uses, respectively; but, upon parting with or reducing his or their respective share or interest in the said capital stock, to any lesser sum or sums than as aforesaid, the said respective offices or places of such Governor, Deputy-Governor, or Directors, so parting with, reducing, or diminishing, their said shares or interests as aforesaid, shall cease, determine, and become vacant, and others to be chosen in their rooms by a general court of the said Corporation. Provided also, and we do, by these presents, for us, our heirs and successors, will, ordain, and appoint, that the said Sir John Houblon, hereby nominated to be the first Governor, ^{Oaths to be taken by Governors.} or any person hereafter to be chosen to the said office or trust of Governor of the said Corporation, shall not be capable of executing or acting in the said office or trust of Governor, at any time until he respectively shall have taken the oaths appointed to be taken by an Act made in the first year of our reign, entitled An Act for the abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths; and shall not be capable of executing of, or acting in, the ^{Oath of allegiance.} said office or trust of Governor at any time or times hereafter, until he respectively shall have taken the corporal oath following, to wit, *I, A. B. do swear, that the sum of four thousand pounds of the capital stock of the Body politic, called by the name of the Governor and Company of the Bank of England, whereof I am appointed or elected to be Governor, doth at this time belong to me in my own right, and not in trust for any person or persons whatsoever.* ^{Oath for stock.} And likewise another oath in the form or to the effect following, that is to say, *I, A. B. being nominated or elected to be Governor of the Company of the Bank of England, do promise and swear, that I will, to the utmost of my power, by all lawful ways and means, endeavour to support* ^{Oath to the Company.} and

and maintain the Body politic or fellowship of the Governor and Company of the Bank of England, and the liberties and privileges thereof; and that, in the execution of the said office of Governor, I will faithfully and honestly demean myself, ac-

ording to the best of my skill and understanding; so help me, God. Which
 Oaths to first Governor, to be administered by the Lord Keeper, Chancellor of the Exchequer, Chief Baron.

Oath to succeeding Governors, how administered.

*oaths, to the first and present Governor above-named, shall and may be administered by the Keeper of our Great Seal of England, or by the Chancellor of our Exchequer, or Chief Baron of the Court of Exchequer, or any of them, for the time being. And, to any future Governor, shall and may be administered by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors, for the time being, or by the Governor or Deputy-Governor of the said Corporation for the last preceding year; or, in case a Deputy-Governor shall be then sworn into his office, then by such Deputy-Governor. And we do hereby, for us, our heirs and successors, direct, authorize, and appoint, the Chancellor of England and Keeper of the Great Seal of England, Chancellor of the Exchequer, and Chief Baron of the Court of Exchequer, or any of them, for the time being, or such preceding Governor, or preceding Deputy-Governor, or such Deputy-Governor, so qualified as aforesaid, to administer the said oaths to every or any such person appointed or elected to be Governor of the said Corporation, as aforesaid. Provided also, and we do hereby, for us, our heirs and successors, will, ordain, and appoint, that the said Michael Godfrey, herein nominated, constituted, and appointed, to be the first Deputy-Governor, or any person hereafter to be chosen to the office or trust of Deputy-Governor of the said Corporation, shall not be capable of executing or acting in the said office or trust of Deputy-Governor, until he shall have taken the like oaths, *mutatis mutandis*, as are before prescribed to be taken by the Governor; which*

The like oaths for the Deputy-Governor.

How administered.

oaths, to the first Deputy-Governor above-named, shall and may be administered by the Keeper of our Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, or by the first Governor of the said Corporation, after himself shall be first sworn as aforesaid. And, to any future Deputy-Governor, shall and may be administered, by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors, for the time being, or by the Governor or Deputy-Governor of the said Corporation for the preceding year;

Oath to succeeding Deputy-Governors, how administered.

and

and they are hereby respectively authorized and directed to administer the said oaths to any Deputy-Governor accordingly. Provided, also, and we do, ^{Oath of Directors.} by these presents, for us, our heirs and successors, will, ordain, and appoint, that none of the said Sir John Huband, Bart. Sir James Houblon, Sir William Gore, Sir William Scawen, Sir Henry Furnese, Sir Thomas Abney, Sir William Hedges, Knts. Brook Bridges, James Bateman, George Boddington, Edward Clerke, James Denew, Thomas Goddard, Abraham Houblon, Gilbert Heathcote, Theodore Janssen, John Lordell, Samuel Lethieullier, William Paterfon, Robert Raworth, John Smith, of Beaufort-Buildings, Obadiah Sedgwick, Nathaniel Tench, and John Ward, Esqrs. hereby nominated, constituted, and appointed, to be the first twenty-four Directors of the said Corporation, or any other person or persons hereafter to be chosen to the office or trust of a Director of the said Corporation, shall be capable to execute or act in the said office of a Director, until he or they shall respectively have taken the oaths mentioned and appointed in and by one Act made in the first year of our reign, entitled, An Act for the Abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths; nor shall be capable to ^{Oath of allegiance.} execute or act in the said office or trust of a Director, at any time or times hereafter, until he or they respectively shall have taken the corporal oath following, to wit: — *I, A. B. do swear, that the sum of two thousand pounds, of the capital stock of the body politic called by the name of the Governor and Company of the Bank of England, whereof I am appointed or elected to be a Director, doth, at this time, belong to me, in my own right, and not in trust for any other person or persons whatsoever.* ^{Oath for stock.} And likewise another oath, in the form or to the effect following, viz. — *I, A. B. do swear, that, in the office of a Director of the Corporation or Company of the Bank of England, I will be in- different and equal to all manner of persons; and I will give my best advice and assistance for the support and good government of the said Corporation; and, in the execution of the said office of Director, I will faithfully and honestly demean myself, according to the best of my skill and understanding; so help me, God.* ^{Oath to the Company.} Which oaths, to the first twenty-four Directors herein nominated, and every of them, respectively, shall and may be administered by the said Keeper of our Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of our Court of Exchequer, or by the first Governor or Deputy-Governor herein before-named, so as such first Governor or Deputy-Governor (in case they, or either of them, do administer the said oaths to the said Directors, or any

How administered to the first Directors.

Oath to succeeding Directors, how administered.

Oath of Electors.

Oath of allegiance.

How administered.

Oath to the Company.

Proviso for Quakers.

of them) be first sworn, as is before-mentioned. And the said oaths, to any future Director or Directors, shall and may be administered by the Chancellor of England, or Keeper of the Great Seal of England, or by the Chancellor of the Exchequer, or Chief Baron of the Court of Exchequer, of us, our heirs or successors, for the time being, or any of them, or by a sworn Governor or Deputy-Governor of the said Corporation, for the time being, or by the Governor or Deputy-Governor for the preceding year; and they are hereby authorized and required to administer the said oaths to all and every such Director and Directors, from time to time, accordingly. Provided, also, and we do, by these presents, for us, our heirs and successors, will, ordain, and appoint, that all and every the other Members of the said Corporation, having each five hundred pounds, or more, interest or share in the capital stock of the said Corporation, before he or they severally shall be capable to give any vote in any general court to be held for the said Corporation, shall take the said oaths, appointed in and by the said Act of Parliament, made in the first year of our reign, entitled, An Act for the Abrogating of the Oaths of Supremacy and Allegiance, and appointing other Oaths, before the said Governor or Deputy-Governor of the said Corporation, for the time being, who are hereby respectively authorized to administer the same; and also the oath in the words, or to the effect, following, that is to say, — *I, A. B. do swear, that I will be faithful to the Governor and Company of the Bank of England, whereof I am a Member; and, in all general courts, when and as often as I shall be present, will, according to the best of my skill and understanding, give my advice, counsel, and assistance, for the support and good government of the said Corporation;** so help me, God. Provided, nevertheless, that any person or persons, commonly called or known to be Quakers, having each five hundred pounds, or more, interest or share in the capital stock of the said Corporation, before they shall be capable of voting in any such general court as aforesaid, shall and may, instead of the oaths hereby prescribed to be taken by the respective Members, having each five hundred pounds, or more, as aforesaid, before the said Governor or Deputy-Governor, solemnly promise and declare, as in the presence of God, in words, or to the same effect (*mutatis mutandis*), with the said oath last herein pre-

* See 24th Geo. II. chap. 24, sect. 21, in the Appendix.

scribed to be taken by the Members of the said Corporation, having five hundred pounds, or more, interest or share in the capital stock of the said Corporation, and shall severally subscribe the same, together with the declaration appointed, for such Dissenters as scruple to take oaths, by another Act, made in the first year of our reign, entitled, An Act for Exempting their Majesties' Protestant Subjects, dissenting from the Church of England, from the Penalties of certain Laws; which declarations and subscriptions the said Governor and Deputy-Governor, for the time being, or either of them, are hereby empowered and required to take and administer. And, farthermore, our will and pleasure is, and we do hereby, for us, our heirs and successors, ordain and appoint, that the said court of Directors shall have power and authority to administer an oath to all the inferior agents or servants that shall be employed in the service of the said Corporation, for the faithful and due execution of their several places and trusts in them reposed, in the words, or to the effect, following, that is to say, —

I, A. B. being elected into the office or place of Treasurer to the Governor and Company of the Bank of England, do swear, that I will be true and faithful to the said Governor and Company, and will faithfully and truly execute and discharge the said office or place of Treasurer to the utmost of my skill and power; so help me, God: and the like oath to the other agents and servants, mutatis mutandis. And, in case any person hereby nominated, or hereafter to be elected, Governor, Deputy-Governor, or Director, as aforesaid, shall, for the space of ten days after such nomination or election, neglect or refuse to take the respective oaths hereby appointed to be taken as aforesaid, or shall refuse or neglect to take upon him his or their offices, that then, and in every such case, the office and place of every such person so neglecting or refusing shall become vacant, and others be chosen in their places by a general court of the said Corporation. And we do hereby farther will and appoint, that no dividend shall, at any time, be made by the said Governor and Company, save only out of the interest, profit, or produce, arising by or out of the said capital stock or fund, or by such dealing, buying, or selling, as is allowed by the said Act of Parliament, until redemption by Parliament of the said yearly fund of one hundred thousand pounds; and that no dividend whatsoever shall, at any time, be made without the consent of the Members of the said Corporation, in a general court, qualified to vote as aforesaid. And we do hereby will and appoint, that the said Governor, or, in his absence, the Deputy-Governor, for the time being, shall, from time to time, and are hereby required, upon such notice to be given, as aforesaid, to summon and appoint four

Power to administer oaths to officers.
Oath to officers.
Neglect or refusal of oaths.
Dividends how made.
Four general courts every year.
general

A general court to be summoned at any time on demand.

Misdemeanor of Governor, Deputy-Governor, or Directors.

In case of death of Governor, Deputy-Governor, or Directors.

general courts, at least, in every year, whereof one to be in the month of September, another in the month of December, another in the month of April, and another in the month of July; and we do farther will and appoint, that if, at any time or times, there shall be a failure of holding a general court in any of the said months, by the default of the Governor and Deputy-Governor, or either of them, that then, and so often, and in every such case, any three or more of the Directors of the said Corporation shall and may summon and call a general court, which shall meet and be holden in the month next coming after the month in which the same should have been holden, upon the summons of the Governor, or Deputy-Governor, as aforesaid. And, moreover, we do by these presents will, direct, and appoint, that the said Governor, or, in his absence, the Deputy-Governor, for the time being, shall, from time to time, upon demand to be made by any nine or more of the said Members, having each of them five hundred pounds, or more, interest or share in the said capital stock, within ten days after such demand, summon and call such general courts, to be held of the said Members of the Corporation qualified for Electors, as aforesaid: and, in default of the Governor, or Deputy-Governor, to summon and call such court, it shall and may be lawful to and for the said nine or more Members, having each five hundred pounds stock, as aforesaid, upon ten days notice in writing, to be fixed upon the Royal Exchange in London, to summon and hold a general court, and there to do and dispatch any business relating to the government or affairs of the said Corporation, and to hear and debate any complaint that shall be made against any Governor, Deputy-Governor, or Directors, for the mismanagement of his or their respective offices. And if such Governor, Deputy-Governor, or Directors, shall not clear him or themselves of such complaint, to the satisfaction of the major part of the Members of the said Corporation, in the said general court assembled, that then, within ten days, another general court shall be called and held, as aforesaid, of the Members of the said Corporation, qualified to vote, as aforesaid, finally to determine the same by the majority of their votes, as aforesaid, who may remove or displace all or any of the said Governor, Deputy-Governor, and Directors, for such misdemeanors or abuse of their offices, and elect and choose others in his or their rooms, in the same manner as the said elections, between the 25th day of March and the 25th day of April, are herein before directed to be made. And in every case, where any Governor, Deputy-Governor, or Directors, shall happen to die, or be removed, or his office shall otherwise become void, before the expiration of the time for which he shall have been elected, the major part of the Members

Members of the said Corporation to be assembled in a general court, and, being qualified as aforesaid, shall and may elect and choose any other Member or Members of the said Corporation, qualified as aforesaid, into the office of such Governor, Deputy-Governor, or Director, that shall so die, or be removed, or whose office shall so become void; which person so to be chosen shall continue in the said office until the next usual time hereby appointed for election, and until others shall be duly chosen and sworn. And, for the better ordering and managing the affairs of the said Corporation, we do by these presents, for us, our heirs and successors, grant unto the said Governor and Company of the Bank of England, and their successors, and we do, by these presents, will, authorize, and appoint, that the said Governor, Deputy-Governor, and Directors, for the time being, or any thirteen or more of them (of which the Governor, or Deputy-Governor, to be always one), shall and may, from time to time, and at all convenient times, assemble and meet together at any convenient place or places, for the direction and management of the affairs and business of the said Corporation, and then and there to hold courts of Directors for the purposes aforesaid, and summon general courts to meet as often as they shall see cause. And that the said Governor, Deputy-Governor, and Directors, or the major part of them, so assembled (whereof the Governor, or Deputy-Governor, is to be always one), shall and may act according to such bye-laws, constitutions, orders, rules, or directions, as shall, from time to time, be made and given unto them by the general court of the said Corporation. And in all cases where such bye-laws, constitutions, orders, rules, or directions, by or from the general court, shall be wanting, the said Governor, Deputy-Governor, and Directors, or the major part of them, so assembled (whereof the Governor, or Deputy-Governor, is to be always one), shall and may direct and manage all the affairs and business of the said Corporation, in the borrowing or receiving of moneys, and giving security for the same, under the common seal of the said Corporation; and in their dealing in bills of exchange, or the buying or selling of bullion, gold, or silver, or in selling any goods, wares, or merchandizes, whatsoever, which shall really, and *bona fide*, be left or deposited with the said Corporation, for money lent or advanced thereon, and which shall not be redeemed at the time agreed, or within three months after, or in selling such goods as shall or may be the produce of lands, purchased by the said Corporation, or in the lending or advancing any of the moneys of the said Corporation, and taking pawns, or other securities, for the same; and to choose and appoint the agents, or servants, which shall, from time to time, be necessary to be employed

How the Governor, Deputy-Governor, and Directors, shall act, and the power given to them.

*Il doit d'abord assembler
à la cour de la
corporate*

*1) assembler et convoquer
les membres de
la corporation*

*2) négocier les affaires
de change*

*3) acheter et vendre
l'or et l'argent*

*4) recevoir des biens,
marchandises, vendre
qu'ils sont déposés
à la banque, - pour
l'usage de
courtois - pour
les avances faites
dans l'échange
pour les marchandises
dont on veut les
dépôts non sécularisés*

Choir des employes

employed in the affairs or business of the said Corporation, and to allow and pay reasonable salaries and allowances to the said agents and servants respectively, and them, or any of them, from time to time, to remove or displace, as they shall see cause; and generally to act and do in all matters and things whatsoever, which by the said recited Act of Parliament shall or may be done, and in all matters and things whatsoever, which they shall judge necessary for the well ordering and managing of the said Corporation, and the affairs thereof; and to do, enjoy, perform, and execute, all the powers, authorities, privileges, acts, and things, in relation to the said Corporation, as fully, to all intents and purposes, as if the same were done by the Governor and Company of the Bank of England, or by a general court of the same: subject, nevertheless, to such restrictions, limitations, rules, or appointments, as are contained in the said recited Act of Parliament, for or concerning the trade, business, or affairs, of the said Corporation, or otherwise relating thereunto.

Power to general courts to make bye-laws.

And we do hereby, for us, our heirs and successors, give full power to all and every the said members qualified for Electors, as aforesaid, in their general courts or assemblies aforesaid, by majority of their votes, as aforesaid, to make and constitute such bye-laws and ordinances, for and relating to the affairs and government of the said Corporation, and the imposing mulcts and amerciaments upon offenders against the same, as to them shall seem meet, so that such bye-laws be not repugnant to the laws of this our kingdom, and be confirmed and approved, according to the statutes in such case made and provided. All which mulcts and

Mulcts and amerciaments shall be to the use of the Company.

amerciaments shall and may be received and recovered to the only use and behoof of the said Governor and Company of the Bank of England, and their successors, without any account, or other matter or thing, to be therefore rendered to us, our heirs or successors. And also to allow such salaries or allowances to the said Governor, Deputy-Governor, and Directors, as to them shall seem meet.

General courts to allow salaries to the Governor, Deputy-Governor, and Directors.

And we do hereby, for us, our heirs and successors, ordain and appoint, that the first general court for the said Corporation shall be held within the space of twenty-eight days next after the date of these presents. Provided always, and for the

Day of first general court.

Directions for the assignment of the stock and fund.

ascertaining and limiting how, and in what manner, and under what rules, the said capital stock, and yearly fund of one hundred thousand pounds shall and may be assignable and assigned, transferrable and transferred, by such person and persons as shall, from time to time, have any interest or share in the same; we do hereby direct and appoint, that there shall be constantly kept, in the public office of the said Governor and Company of the Bank of England, a register, or book or books, wherein all assignments and transfers shall be entered. And we do hereby, for us,

our

Transfers by actions et dividendes

our heirs and successors, pursuant and according to the power given unto us by the said Act of Parliament, order, limit, direct, and appoint, that the method and manner of making all assignments and transfers of the said capital stock and yearly fund, or any part thereof, shall be by an entry in the said book or books, signed by the party so assigning or transferring, in the words, or to the effect, following, viz.

Memorandum, *That I, A. B. this* *day of* *in the year of our* Form of transfer.
Lord *do assign and transfer* *500 L* *of my interest or share in the capital*
stock and fund of the Governor and Company of the Bank of England, and all benefits
arising thereby, unto *his heirs and assigns. Witness my hand,*

Or in case the person assigning be not personally present, then by an entry in the said book or books, signed by some person thereunto lawfully By letter of attorney.
 authorized, by letter of attorney, or writing under hand and seal, attested by two or more witnesses, in the words, or to the effect, following, viz. Memorandum, *That*

I, A. B. this *day of* *in the year of our Lord* *by* Form of transfer by letter of attorney.
virtue of a letter of attorney, or authority under the hand and seal of
dated the *day of* *in the said year* *do, in the name*
and on the behalf of the said *assign and transfer*
of the interest or share of the said *in the capital stock and fund*
of the Governor and Company of the Bank of England, and all benefits arising thereby,
unto *his heirs and assigns. Witness my hand,*

Under which transfer the person or persons, bodies politic or corporate, to whom Acceptance.
 such assignment or transfer shall be made, or some other person by him or them lawfully authorized thereunto, shall sign his or their name or names, attesting that he or they do freely and voluntarily accept of the same. And that the entry, signed as aforesaid, and no other way or method, shall be the manner and method used in the passing, assigning, or transferring, the interest or share in the said capital stock or fund; and such transfer or assignment shall be good and available, Devisably by will, attested by three witnesses.
 and convey the whole estate and interest of the party transferring, or ordering the same to be transferred. Provided always, that any person, having any share or interest in the said capital stock or fund, may dispose or devise the same, by his last Entry of the devise in the Company's books.
 will and testament, attested by three or more credible witnesses. But, however, that such devisee shall not transfer the same, or be entitled to receive any dividend, until an entry or memorandum of so much of the said will, as relates to the Governor, or Deputy (in his absence), not to vote in general courts unless in case of equality of votes.
 said stock or fund, be made in the book or books, or some other book or books, to be kept by the said Governor and Company for that purpose. And we do hereby will and appoint, that the said Governor, or, in his absence, the Deputy-
 Governor,

Sub-Committees.

Non-obstante.

Without fine in the Hanaper.

Covenant to grant farther power.

Governor, shall not have any vote in a general court or courts of Directors, save where there shall happen to be an equality or equal number of votes. Provided, nevertheless, that all matters and things which the said Governor, Deputy-Governor, or Directors, shall, in manner as aforesaid, order and direct to be done by sub-committees, or other persons appointed under them, shall and may (by virtue of such orders) be done by the said sub-committees or other persons so appointed. And we do for us, our heirs and successors, grant and declare, that these our letters patent, or the enrolment thereof, shall be in and by all things valid and effectual in the law, according to the true intent and meaning of the same; and shall be taken, construed, and adjudged, in the most favourable and beneficial sense, for the best advantage of the said Corporation, as well in our courts of record as elsewhere, notwithstanding any non-recital, mis-recital, defect, uncertainty, or imperfection, in these our letters patent. And our will and pleasure is, that these presents to the Governor and Company aforesaid, under the Great Seal of England, shall be in due manner made and sealed without fine or fee, great or small, to us, in our Hanaper, or elsewhere, to our use, therefore, any ways to be rendered, paid, or made. And we do hereby, for us, our heirs and successors, covenant, grant, and agree, to and with the said Governor and Company, and their successors, that we, our heirs and successors, shall and will, from time to time, and at all times hereafter, upon the humble suit and request of the said Governor and Company, and their successors, give and grant unto them all such farther and other powers, privileges, authorities, matters, and things, which we or they can or may lawfully grant, and as shall be reasonably advised and desired by the council learned of the said Governor and Company for the time being, and shall be approved by our Attorney or Solicitor General in our behalf. In witness whereof, we have caused these our letters to be made patent. Witness ourselves at Westminster, the 27th day of July, in the sixth year of our reign.

By Writ of Privy-Seal,

PIGOTT.

*Intrat. int. Record. Domini Regis
Willielmi Tertii, infra Recept.
Scaccarii ss. remanen in Officio
Clerici Thesaurarii al. Clerici
Pellium decimo die Junii, 1695.
Annoq; Regni dicti Domini Regis
septimo.*

RULES,

RULES, ORDERS, and BYE-LAWS, for the good Government of the Corporation of the Governor and Company of the Bank of England.

I. BYE-LAW.

Elections. — The Time, Manner, and Scrutiny.

WHEREAS it has been found, by experience, that many uncertainties and inconveniences have happened for want of a due and regular method of proceedings at general courts of election; for remedy whereof, in time to come,

It is hereby ordained and appointed, that at every general court, for any election, every member qualified to vote, and being present, shall deliver in writing or print a note or list containing the name or names of such person or persons (Members of this Corporation respectively qualified according to the tenor of the charter) as he thinks fit, to serve and execute the office or employment for which such election is to be had or made; and that, at every general election, each Elector shall deliver in writing or print only the name of one person qualified for the place of Governor, and only the name of one person qualified for the place of Deputy-Governor, and no more; and, for Directors, a list of the names of four-and-twenty persons qualified for Directors, and no more nor less. And that, in case any person shall deliver in writing or print any more than one name for the place of Governor, one name for the place of Deputy-Governor, or a list of any more or less than four-and-twenty names of persons qualified for Directors, the same shall be reputed and deemed as no vote, and the said list, and all the names therein, shall be totally rejected.

And that, in case at any general court of election of Directors any person shall, in such list, insert the names of any more than sixteen of those persons who were chosen into, and did serve, the office of Directors the then last preceding year, the same list shall in like manner be rejected.

And that, if in any list for Directors there shall be inserted the name either of the Governor or Deputy-Governor elected for the ensuing year, such list shall be rejected.

1st Paragr.
The preamble.

2d Paragr.
Votes to be delivered personally in writing or print.

If more or less names than the limited number, the vote to be rejected.

3d Paragr.
The list to be rejected wherein are above sixteen of the last year's Directors.

4th Paragr.
If the Governor or Deputy be inserted in the list of Directors, it to be rejected.

And

5th Paragr.
If two persons
qualified have
an equal num-
ber of votes,
the choice to
be determined
by the general
court.

And that, in case it shall happen, that, upon making the scrutiny for any election of Governor, Deputy-Governor, or Directors, any two or more persons qualified for the respective office or employment, for which he or they shall be named, shall have an equal number of votes, which shall or may entitle one or more of them to such office or employment; the election, in such case, shall be determined and settled by the general court in which such scrutiny shall be reported.

6th Paragr.
Undistin-
guished,
wrong, or
mistaken,
names to be
determined by
the scrutineers,
or, in their
default, by
the general
court.

And that, if, on taking the scrutiny for any election of Governor, Deputy-Governor, or Directors, it shall fall out that two or more persons, qualified for the office for which such election shall be made, have the same Christian and surnames, and are not distinguished by their additions, or that a wrong Christian name in any note or list is placed to a surname, when but one person of that surname is qualified for the respective office, or that any literal mistakes be made in Christian or surnames; in all and every the cases before-mentioned, such undistinguished, wrong, or mistaken, name or names shall be kept, and not thrown aside or rejected, but the rest of the list shall be allowed. And the persons appointed to take the scrutiny at such election, or so many as shall be present, may determine the person or persons intended by such undistinguished, wrong, or mistaken, name or names, provided they, or the major part of them, shall agree in ascertaining the person or persons so meant or intended. But, in default thereof, the same shall be determined and settled by the general court in which such scrutiny shall be reported.

7th Paragr.
No vote to be
received after
the glass is fi-
nally sealed up.

And that no note or list shall be received for any election after the glass is finally sealed up, according to the time prefixed for the doing thereof; but such note or list shall be rejected.

8th Paragr.
None to use or
procure indi-
rect means to
obtain votes.

And that, if any Member of this Corporation shall hereafter use, or procure to be used, any indirect means, to obtain any vote or votes for the election of himself, or any other, to be Governor, Deputy-Governor, or Directors, of this Corporation, and be thereof declared guilty at a general court to be called for that purpose, such person shall, from thenceforth, for ever, be incapable of being elected to, or holding, any such office or place.

9th Paragr.
Elections of
committees by
a general court
to be in the
same manner.

And that, in all elections of Committees hereafter to be had or made by a general court, the same orders, rules, and methods, (so near as the case will admit,) shall be used, observed, and kept, and under such penalties and disabilities as are herein-before prescribed, for or concerning the election of Governor, Deputy-Governor, and Directors.

And,

And, in case, at any annual general court of election, all the twenty-four Directors for the preceding year, or more than two-thirds of them, shall happen to have the majority of votes for being Directors for the ensuing year, that then the remaining-one third, or other less number, of the said twenty-four, (over and above two-thirds of them,) as shall happen to have the fewest votes, shall be removed, and such eight, or other less number of the other Members of this Corporation, qualified as aforesaid, who have the most voices next to those so removed, shall be, and be, deemed and reputed to be elected to succeed and serve as Directors for the succeeding year, in the stead and place of those so removed, and shall be admitted and sworn accordingly.

10th Paragr.
If more than two-thirds of the old Directors be chosen, all above that number to be removed.

And that the first, second, third, fourth, seventh, and eighth, paragraphs or clauses of this bye-law shall be inserted at the end of every printed list, that shall be given out, at or before the annual elections of Governor, Deputy-Governor, and Directors, to the end the members of this Corporation, qualified to vote, may be well informed and directed in the giving in their votes.

11th Paragr.
Part of this bye-law to be printed in the list for the annual election.

II. BYE-LAW.

Voting by the Ballot or by Lists, and choosing Officers.

Item. It is resolved and ordained, that, in all general courts, upon any election or other question to be made or determined, concerning any one person, matter, or thing, only, the ballot shall be allowed and used, in case the same be demanded by any nine or more members then qualified to elect and vote, and not otherwise.

1st Paragr.
In all questions relating to one person or thing, the ballot (if demanded by nine) to be allowed.

And that, in all general courts, upon any election or question to be made or determined, concerning more than one person, matter, or thing, such election or question shall not be determined by the ballot, but by notes or lists in writing, of the members qualified to vote, put into a glass in the same manner as the court of Directors have been hitherto chosen, in case the said determination by notes or lists shall be demanded by any nine or more persons qualified to vote.

2d Paragr.
All questions relating to more than one person or thing to be determined by notes in writing, if demanded by nine.

And farther, that from and after the 25th day of March, 1698, and so yearly, and every year for ever, all and every the officers, ministers, agents, or servants, employed or to be employed by this Corporation, or by the Governor, Deputy-Governor, and Directors, or any of them, in the service of this Corporation, shall be elected by the court of Directors, every year, by the ballot, with-

3d Paragr.
The servants to be chosen by the ballot, within thirty days after the annual election.

in thirty days after the general court, for the annual election of Governor, Deputy-Governor, and Directors.

III. BYE-LAW.

Custody of the Common Seal, and how to be used.

Item. It is ordained, that the seal of this Corporation shall be carefully kept under three locks, the three keys whereof shall be severally kept by such three of the Governor, Deputy-Governor, and Directors, for the time being, as the court of Directors, from time to time, shall empower to keep the same. And that the said seal shall not be affixed or set to any paper or parchment, writing or instrument, whatsoever, but by an order of the court of Directors for that purpose had and obtained; and also in the presence of three or more of the Governor, Deputy-Governor, and Directors, for the time being.

IV. BYE-LAW.

Keeping the CASH.

All the cash (except the running cash left in the hands of the cashiers) to be left under three locks.

Item. It is ordained, that the cash of this Corporation (excepting such sum and sums of money as shall, by the committee in waiting, subject to such regulations as the court of Directors shall appoint, be thought necessary to be left in the hands of one or more of the cashiers for running cash) shall be carefully kept under three or more locks, the keys whereof shall be kept by such three or more of the Governor, Deputy-Governor, and Directors, as the said court of Directors, from time to time, shall empower to keep the same, each of the said persons keeping one of the said keys.

V. BYE-LAW.

The Meeting and Business of Court of Directors, and their Sub-Committees.

A court of Directors to be held once a week at least.

Item. For the more easy and safe dispatch of the business of this Corporation, to the honour and benefit thereof, it is resolved and ordained, that a court of Directors shall be held once in every week at the least. And that such court may and

and shall, from time to time, (as occasion shall require,) appoint sub-committees, and give all needful directions to such sub-committees, concerning what securities shall be taken for money to be lent, and of what nature or kind; and also in what proportions, and touching and concerning all and every other thing and things requisite in that behalf. And it is hereby ordained, that no money shall be lent upon any other sort of security, or in any other proportion, or to any other value, or otherwise disposed of, than what, or as shall be, from time to time, first directed by the said court of Directors. And that every sub-committee shall weekly lay before the said court of Directors, so to be held as afore said, an account of what moneys are or shall be then owing by this Corporation under their common seal, and what securities shall have been taken, or other business transacted or negotiated by them, touching this Corporation, during the then last preceding week.

No money to be lent but what and how the court of Directors shall order. Every sub-committee to lay their proceedings weekly before the court of Directors.

VI. BYE-LAW.

Dealings, of Governor, Deputy, and Directors, with the Corporation, not to be concealed.

Item. For the prevention of fraud and deceit in all and every the transactions of this Corporation, it is resolved and ordained, that, in all cases whatsoever, where the Governor, Deputy-Governor, and Directors, of the Corporation, or any of them, shall have any dealing or business with this Corporation, upon their own account, separately, or in conjunction with any others, for or in respect of any tallies, bills of exchange, pawns, pledges, or other contract or bargain whatsoever, by or from, to or with, this Corporation, that then, and in every such case, such Governor, Deputy-Governor, and Director, so having any such business with this Corporation, in manner as afore said, shall, at the time of his or their negotiating or transacting the same, declare and publish, to the sub-committee for the time being, fully, fairly, and clearly, such his share and interest, whether sole or joint, with others, in all and every such affair or business by him or them so negotiated or transacted, as afore said, and all the particular circumstances thereof. And, if any such Governor, Deputy-Governor, or Director, shall, at any time, wittingly or willingly, offend contrary to this rule, ordinance, or by-law, such person so offending, being first accused thereof in any general court,

The Governor, Deputy, and Directors, to publish to the sub-committee their dealings with the Corporation, and all circumstances thereof.

The penalty.

and

and summoned to answer the same, and afterwards declared guilty thereof by another general court, shall immediately become, and be deemed and reputed to be, incapable, for ever, either of holding or enjoying, or being chosen again into, the said offices of Governor, Deputy-Governor, Directors, or any of them.

VII. BYE-LAW.

The concerned in Debates to withdraw.

Item. It is resolved and ordained, that, in all cases, where any question or debate shall, at any time, arise or be made touching or concerning any person or persons, members of this Corporation, or concerning any matter or thing relating to any such person or persons, or wherein he or they shall be concerned, such person or persons, touching or concerning whom such question or debate is or shall be had or made, shall have or give no vote relating thereto, but shall withdraw and be absent during such debate concerning himself, or any matter or thing wherein he is concerned.

VIII. BYE-LAW.

Borrowing on the Seal.

Item. It is hereby ordained, that the Governor, Deputy-Governor, and Directors, or any of them, shall not, at any time hereafter, without the consent and direction of a general court first had, wittingly or willingly borrow, owe, or give security, under the common seal, for any sum or sums of money exceeding, in the whole, at any one time, twelve hundred thousand pounds, or procure the borrowing, owing, or giving security for, any such farther sum or sums of money, by bill, bond, or other covenant or agreement, under the common seal of this Corporation, as aforesaid. And, in case the common seal shall be set or affixed to any bill, bond, or other agreement, for money, contrary to this ordinance or bye-law, that then each and every the Governor, Deputy-Governor, and Directors, or other Members of this Corporation, who shall order, procure, consent, agree to, or wittingly approve of, the same, and be thereof lawfully convicted, shall, for every such

Governor,
Deputy, and
Directors, not
to borrow or
owe, under
the common
seal, any sums
exceeding, in
the whole, at
one time,
£1,200,000.

The penalty
for so doing,
or consenting
thereunto.

such offence, severally forfeit, to the said Governor and Company of the Bank of England, the sum of one thousand pounds, of lawful English money, and also all such farther and other sum or sums of money as the said Governor and Company of the Bank of England shall be damnified for or by reason thereof.

IX. BYE-LAW.

Selling Pawns.

Item. It is resolved and ordained, that all jewels, plate, bullion, or other goods, chattels, or merchandizes, whatsoever, which shall be pawned unto this Corporation, or left and deposited therewith, as pawns or pledges for money to be lent or advanced thereon, and not redeemed at the time agreed on, or within three months afterwards, shall, whensoever they are sold, be sold at a public sale, by inch of candle, in manner as in such cases is usual, upon three days notice thereof first given, by writing, on the Royal Exchange, or upon such other public notice as the court of Directors shall think fit; and that no sale of any such goods, chattels, or merchandizes, not redeemed as aforesaid, shall be had or made in any other manner.

X. BYE-LAW.

For Transfers, and registering Contracts, what to be paid.

Item. It is ordained, that, upon all transfers to be made of any share or interest in the capital stock or fund of this Corporation, the sum of five shillings, and no more, shall be paid by the party transferring to, and for the use of, the Corporation, for and towards the bearing and defraying the charge of books, accomptants, law-duty, and other like expenses. And that, upon every promise, contract, bargain, covenant, or agreement, to be made for the buying or selling of any share or interest in the capital stock or fund of this Corporation, or for transferring the property thereof, in trust or otherwise, which shall be brought to be registered in the book or books of the Bank, the sum of two shillings, and no more, shall be paid, for such registering, by the party desiring to register the same, to and for the use of this Corporation.

For transfers.

For registering contracts.

XI. BYE-LAW.

Against the Servants taking any Rewards.

Item. It is ordained, that no officer, servant, or other person, whatsoever, employed, or which shall hereafter be employed, by this Corporation, for or about any business of the same, shall presume, directly or indirectly, to receive or take any fee, gratuity, or reward, of any sort, kind, or quality, whatsoever, for the doing or dispatching, or the not doing or delaying, any business or affair belonging to this Corporation, or for any other reason or colour, or upon any account, relating to his or their respective employment, or otherwise concerning this Corporation howsoever, from any person or persons whatsoever, other than only from this Corporation, or by order thereof, or of the court of Directors.

The penalty. And that, if any person or persons employed, or to be employed, as aforesaid, shall offend contrary to this ordinance or bye-law, such person shall be for ever incapable of holding, or being chosen again into, such his, their, or any other, employment in or under this Corporation.

XII. BYE-LAW.

General Courts, for Dividends, half-yearly.

Item. It is ordained, that, twice in every year, a general court shall be called and held for considering the general state and condition of this Corporation, and for the making of dividends, out of all and singular the produce and profit of the capital stock and fund of this Corporation and the trade thereof, amongst the several owners and proprietors therein, according to their several shares and proportions; the one of which said courts shall be held on some day between the 10th and 25th day of September, and the other on some day between the 10th and 25th day of March, yearly.

XIII.

XIII. BYE-LAW.

Yearly Recompenses to the Governor, Deputy-Governor, and Directors.

Item. It is ordained, that the same recompenses,* to the Governor, Deputy-Governor, and twenty-four Directors, which (pursuant to an order of the general court, held the 26th of April, 1695) were presented them for the year 1696, be yearly continued to them, respectively, until farther order of the general court shall be made therein.

XIV. BYE-LAW.

Taking and Reading the Minutes of Courts.

Item. It is ordained, that the minutes of all debates, orders, resolutions, and transactions, had, made, and agreed on, at every general court and court of Directors, shall hereafter be taken and written down by the Secretary, or the person chosen and sworn to be his assistant, in a book to be kept for that purpose; and that, before any such courts shall be adjourned or dismissed, the minutes of that court shall be read over, audibly, by the Secretary, or by such his assistant, as aforesaid.

Extracts from Acts of Parliament relative to the Bank of England.

BANK of England established in the name of "the Governor and Company of the Bank of England." — Charter dated 27th of July, 1694. ^{1694.} 5th Will. & Mary, ch. 20.

* To the Governor and Deputy-Governor, each - - - £ 200 per annum.
To the Directors, each - - - - - 150 per annum.

Subscription and advance £1,200,000, to bear interest at eight per cent. per annum, redeemable by Parliament, upon twelve months notice, after the 1st of August, 1705.

Corporation restrained from borrowing beyond the sum of £1,200,000, or to owe, at any one time, more than the said sum.

Enacts, that they shall not deal in any goods, wares, or merchandize (except bullion), or purchase any lands or revenues belonging to the Crown, or advance or lend to their Majesties, their heirs or successors, any sum or sums of money, by way of loan or anticipation, on any part or parts, branch or branches, fund or funds, of the revenue, now granted or belonging, or hereafter to be granted, to their Majesties, their heirs and successors, other than such fund or funds, part or parts, branch or branches, of the said revenue only, on which a credit of loan is or shall be granted by Parliament.

1697.
8th Will. III.
chap. 20.

Bank to continue a Corporation till one year's notice after the 1st of August, 1710.

Capital enlarged to £2,201,171:10, by the voluntary new subscription of such person or persons as were willing to subscribe into the then capital and principal stock. The new subscribers to be incorporated with the Company.

Sect. 33.

But, for the better settling and adjusting the right and property of each Member of the then present Corporation of the Governor and Company,

IT IS ENACTED, That before the 24th day of July, 1697, the common capital and principal stock of the said Governor and Company shall be computed and estimated by the principal and interest owing to them from the King, and by cash, or by any other effects, whereof the said capital shall then really consist, over and above the value of the debts which they shall owe, at the same time, for principal or interest, to any person or persons whatsoever; which computation to be made and settled by seven of the then Members of the Corporation, to be elected for that purpose by a general court of the old Members, and by seven of the new subscribers, to be nominated and elected by a majority of the new subscribers. And in case, by such settlement and adjustment of the value of the said stock, it shall appear that the same doth not amount to £1,200,000, then the Members of the said Corporation, being owners thereof, shall, and are hereby obliged, at their own proper cost and charge, to contribute so much as will completely make the said capital stock £1,200,000; and, in case the value of the said capital stock, upon such adjustment to be made, shall exceed £1,200,000, that then the sum so exceeding £1,200,000 shall be divided amongst them who shall be the old Members of the said Corporation of the Governor and Company of the Bank of England,

England, according, and in proportion, to their respective interests at that time.*

IT IS ENACTED, That at any time, upon twelve months notice, after the 1st day of August, 1710, and not before, and upon re-payment by Parliament of all the principal and interest moneys which shall be owing to the said Governor and Company upon all tallies, orders, or parliamentary funds, which the said Governor and Company shall have remaining in their hands, or be entitled to, at the time of such notice, then, and not till then, the said Corporation shall cease and determine.

IT IS ENACTED, That the common capital and principal stock, and also the real fund of the Governor and Company, or any profit or produce to be made thereof, or arising thereby, shall be exempted from any rates, taxes, assessments, or impositions, whatsoever, during the continuance of the Bank.

IT IS ENACTED, That from and after the completing the said subscriptions, to be taken by virtue of this Act, that all the profit, benefit, and advantage, from time to time, arising out of the management of the said Corporation, shall be applied to the uses of all the Members of the said Corporation of the Governor and Company of the Bank of England, rateably and in proportion to each Member's part, share, and interest, in the common capital and principal stock of the said Governor and Company hereby established.

IT IS ENACTED, That the stock shall be personal and not real property.

IT IS ENACTED, That the moneys, which, from time to time, shall become due and payable, by virtue of any tally or order, subscribed as aforesaid, into the capital stock of the said Governor and Company, by virtue of this Act, as soon as conveniently may be, after the same shall be received out of the Exchequer or any public office, and, at farthest, once in every four months, shall be divided by the said Governor and Company amongst the Members of the whole Corporation, rateably and in proportion to their several and respective shares and interests in the said capital stock, for the particular, proper, and only, use and behoof of the said Members, separately and in their private and personal capacities.

* By this computation and division, and the consequent rise of stock thereupon, one of the Proprietors (namely, Sir Gilbert Heathcote) is said to have realized £60,000. The present surplus-profits ought to go to increase the capital of the respective Proprietors in the same manner, at the rate of so much per cent. on the capital stock.

1697.
9th Will. III.
chap. 3.

And whereas, since the enlarging the capital stock of the Governor and Company of the Bank of England, by Act of the 8th of William III. chapter 20, the making the dividends, at the end of every four months, is found to be very inconvenient and a great interruption to the business of transfers, payments, and other occasions of persons dealing with the said Bank; be it therefore enacted and declared, that the said Governor and Company shall not be obliged to make dividends once in four months, but they and their successors are hereby required and enjoined, from and after the 25th day of March, 1698, to make such dividends once in each six calendar-months, at the least, unto the Members of the said Corporation, according to their respective shares and interests in the said capital stock.

1708.
7th Anne,
chap. 7.
Sect. 63.

Capital enlarged, by subscription, to £4,402,343, being double the former capital. — Charter prolonged to the 1st August, 1732.

AND IT IS HEREBY ENACTED, That the original fund of the said Governor and Company of one hundred thousand pounds per annum before-mentioned, *and all the profits, benefit, and advantage, from time to time, arising out of the management of the said Corporation*, and also the said annuity of one hundred and six thousand five hundred and one pounds, thirteen shillings, and five pence, and likewise the said allowance of three pounds per cent. per annum, for circulating the Exchequer-bills, to be made out by virtue of this Act, shall (the charges of managing the business of the said Governor and Company *only excepted*) be applied, from time to time, to the uses of all the Members of the said Corporation, *for the time being*, rateably and in proportion to each Member's part, share, and interest, in the common capital and principal stock of the said Governor and Company of the Bank of England.

Sect. 68.

And whereas the said Governor and Company, established by former Acts herein recited, did, on the 23d March, 1708, order a dividend of four pounds ten shillings per cent. (for the half year preceding) to be made amongst their then Members.

IT IS HEREBY ENACTED AND DECLARED, That the said dividend only belongs to, and is to be received and enjoyed by, the respective Members of the said Corporation, before the making the subscription before-mentioned, in proportion to their respective interests in the then capital stock of the said Governor and Company.*

* The Legislature directs, that the profits shall be divided among the partners for the *time being*, and not to be reserved for the partners in *time coming*, as is done at present.

Term of Charter prolonged to the 1st August, 1742.

1713.
12th Anne,
chap. 11.

Advance of money to Government.

1716.
3d George I.
chap. 8.

Advance of money to Government.

1724.
11th Geo. I.
chap. 9.

Advance of money to Government.

1742.
15th Geo. II.
chap. 13.

Term of Charter prolonged to the 1st August, 1764.

Capital allowed to be enlarged £ 1,600,000, if the Corporation think fit.

Makes the capital - - - - - £ 9,800,000

Government-debt - - - - - 10,700,000

Advance of money to Government.

Enlarge the capital to - - - - - £ 10,780,000

Government-debt - - - - - 11,686,800

1746.
19th Geo. II.
chap. 6.

And whereas doubts have arisen with regard to the taking the oaths and affirmation, and subscribing the declaration, appointed by the charter of the Governor and Company of the Bank of England, to be taken and subscribed by all and every the Members of every general court; and whereas the administering the said oaths and affirmation, and subscribing the declaration, at every general court, will be a great delay to the proceedings of the said general court; be it therefore enacted, by the authority aforesaid, that it shall be lawful for the said Governor and Company, in any general court, to proceed to transact any business, without administering the said oaths and affirmation to, or subscribing the said declaration by, all or any of the Members of the said court, *unless required thereto by any nine or more of the Proprietors present,** qualified to vote at the said general court, according to the charter; any thing in their said charter, or any Act or Acts of Parliament, contained in anywise to the contrary notwithstanding.

24th Geo. II.
ch. 24. sec. 21.

* Which requisition ought always to be made, as the business is managed too loosely.

See Appendix, page 102, oath of Electors.

103, — of Governor.

104, — of Deputy-Governor.

105, — of Directors.

106, — of Electors.

107, — of Officers.

1763.
4th Geo. III.
chap. 25.

Bank to circulate Exchequer-bills, and to pay into the Exchequer, by the 23d of April, 1764, £110,000, *and no re-payment to be made of either principal or interest* for the same. — Term of charter prolonged to the 1st August, 1786.

1781.
21st Geo. III.
chap. 60.

Bank advances two millions for the service of the year 1781. — Term of charter prolonged to the 1st August, 1812.

Capital of the Bank, 1782 - - - - - £11,642,400

1791.
31st Geo. III.
ch. 25, sec. 5.

IT IS ENACTED, That all notes and bills whatever, which shall be issued by or on account of the Governor and Company, shall be freed and exempted from all and every the stamp-duties imposed by this Act, upon paying into his Majesty's Exchequer the full annual sum of £12,000.

Unclaimed Dividends.

Chap. 33.

IT IS ENACTED, That the said Governor and Company shall, on or before the 1st day of July, 1791, pay into the Exchequer the sum of five hundred thousand pounds out of the money arising from Unclaimed Dividends.

Chap. 33,
sect. 2.

AND IT IS ENACTED, That if, at any time hereafter, the moneys, remaining in the hands of the Governor and Company, or their Cashier, which have been issued for the payment of all or any annuities or dividends to the creditors of the public, in pursuance of the several Acts of Parliament in that behalf, exclusive of the sums issued on account of such annuities or dividends as became due the quarter then next preceding, shall be reduced to a less sum than six hundred thousand pounds, the said Governor and Company, or their Cashier, shall forthwith transmit a certificate of the same to the Commissioners of the Treasury, and also to the Auditor of the Exchequer, for the time being, containing a true statement of the amount to which the said money shall then be reduced; and that forthwith, on the same day on which such certificate shall be presented, the said Auditor of the Exchequer shall make out a proper debenture, directing the payment of such sum of money, as it shall appear the said balance shall be reduced under six hundred thousand pounds.

Chap. 33.

IT IS ENACTED, That there shall be continued to be issued and paid, to the Governor and Company of the Bank of England, a sum for charges and management of the public debt, at the rate of four hundred and fifty pounds per annum for each million of the capital; and at the same rate for all the annuities for terms of years, valuing the annuities at twenty-five years purchase, as usual, to make a nominal capital.

1793.
33d Geo. III.
chap. 32,
sect. 6.

BE IT ENACTED AND DECLARED, That nothing contained in the said provisions, or in any other Act or Acts of Parliament, shall be construed to extend to subject,

or

or to have subjected, the said Governor, Deputy-Governor, the Directors, Managers, Assistants, or other Members, of the said Corporation, to any penalty or forfeiture, for or by reason of having advanced or lent, or for or by reason of advancing and lending, in future, any sum or sums of money, for the purpose of paying any bills of exchange, accepted by, or by the direction, or on account of, the Lords-Commissioners of his Majesty's Treasury, and made payable at the Bank of England, but not specifically charged, lent, or advanced, or any part or parts, branch or branches, fund or funds, of the revenues granted or belonging to his Majesty.*

Whereas there is now due and owing by the public, to the United Company Chap. 47. of Merchants trading to the East-Indies, the sum of four millions two hundred thousand pounds, attended with an annuity or an interest, after the rate of three pounds per cent. per annum, amounting to one hundred and twenty-six thousand pounds per annum, redeemable by Parliament:

IT IS ENACTED, That the said annuity shall be transferred from the management of the said United Company, at their office, to the Bank of England, and be placed under the management of the said Governor and Company; and that the allowance of one thousand six hundred and eighty-seven pounds to the United Company, for management, shall cease and determine; and that the Commissioners of the Treasury shall and may make, and allow, to the Governor and Company, such additional annual sum, for the expense of managing and paying the said annuities, which by this Act shall be transferred to them, as the said Commissioners shall think just and reasonable.

AND BE IT FARTHER ENACTED, That, from and after the passing of this Act, it shall not be lawful for the said Governor and Company to issue cash, in payment of any debt or demand whatsoever, except according to the provisions herein-after contained; and that, during the continuance of the restriction hereby imposed on payments, by the said Governor and Company, in cash, no action or suit shall be prosecuted, against the said Governor and Company, to compel payment of any note of the said Governor and Company expressed to be payable on demand, or to compel payment of any note of the said Governor and

37th Geo.III.
chap. 45,
sect. 2.

* See Appendix, pages 34 and 35. The Directors were of opinion, that advances on Treasury-bills of exchange were unconstitutional. They are, by this Act, legal, and, therefore, constitutional. Though it was *lawful* to advance money upon them, it was very *inexpedient*. — This does not justify the Directors for doing what, *they thought*, was *unconstitutional* and inconvenient.

Company made payable otherwise than on demand, which the said Governor and Company shall be willing to exchange for any note or notes of equal amount, expressed to be payable on demand, or to compel payment of any sum of money whatsoever, by the said Governor and Company, which the said Governor and Company shall be willing to pay in notes of the said Governor and Company, expressed to be payable on demand.

Sect. 3.

PROVIDED ALWAYS, AND IT IS HEREBY ENACTED, That nothing in this Act contained shall extend to restrain the said Governor and Company from issuing any sum of money less than twenty shillings, as a payment of so much of any larger debt or demand, as shall be a fractional part of twenty shillings, over and above the residue of such debt or demand, or for issuing any sum of money, in cash, for the services of the army, navy, or ordnance, in pursuance of an Order of His Majesty's Privy-Council, stating the special purpose for which such issue shall be required, and the necessity for the same: all which Orders of Council shall be laid before both Houses of Parliament within three days after the date of each such Order, if Parliament shall be then sitting; and, if not, then within three days after the sitting of Parliament.

Sect. 4.

PROVIDED ALWAYS, AND BE IT ENACTED, That it shall not be lawful for the said Governor and Company, during the continuance of the restriction on payments in cash, imposed by this Act, to issue any sum of money, in cash or in notes of the said Governor and Company, by way of loan or advance for or on account of the public service, except to an amount, not exceeding £600,000, on the credit of Exchequer-bills, to be issued by virtue of an Act of the present session of Parliament, for raising the sum of eighteen millions by way of annuities.

Sect. 10.

IT IS ENACTED, That the Bank may issue cash on previous notice to the Speaker of the House of Commons; which notice the Speaker is to cause to be published in the Royal Gazette.

An Account of Dividends on Bank-Stock, at different Periods, from the Establishment of the Bank of England, to the present Time.

Bank established.			Dividend.		Capital.		
					£.	s.	d.
1694	—	—	8	per cent.	—	—	—
1697	—	—	9	—	—	—	—
1708	—	—	9	—	—	—	—
1730	March	25	6	—	—	—	—
—	Sept.	29	5½	—	—	—	—
1731	March	25	6	—	—	—	—
—	Sept.	29	5½	—	—	—	—
1732	March	25	6	—	—	—	—
—	Sept.	29	5½	—	—	—	—
1742	Sept.	29	5½	—	—	9,800,000	0 0
1746	Sept.	29	5½	—	—	10,780,000	0 0
1747	March	25	O. S. 5	—	—	—	—
1753	April	5	N. S. 4½	—	—	—	—
1764	Oct.	10	5	—	—	—	—
1767	Oct.	10	5½	—	—	—	—
1781	Oct.	10	6	—	—	—	—
1782	April	5	6	—	—	11,642,400	0 0
1788	April	5	7	—	—	—	—
1797	Oct.	10	7	—	—	—	—

A short Account of the Establishment of the Bank of England.

THE Bank of England was established in the year 1694. — The Charter is dated the 27th day of July, 1694. — The origin of Banks is of great antiquity. — St. Luke mentions a bank which must have been under good regulations: — a nobleman, who had returned from a far country, rebukes his steward, for having laid by, in a napkin, a sum of money which he had entrusted to him, in these words: “Why did you not put it into the Bank, that, at my return, I might have received the principal with interest?” — There is nothing new under the sun. — Solomon established an East-India Company: — and the modern philosophers, who wage war against the slave-trade, will find that it is of very ancient institution. — Ezekiel writes, that, before his time, there was a house that carried it on, under the firm of *Javan, Tubal, and Meschech*; and their trade must have been considerable, as it required the united capital and abilities of three merchants, who were of distinguished rank in the community.

William Paterfon* was the projector of the Bank of England. He had, together with a sufficient share of the “fervidum ardor” of his country, a fertile genius,

* William Paterfon was born in the parish of Trailflatt, now annexed to Tinwald, in the county of Dumfries, in Scotland, in 1658. He was one of the first Directors of the Bank of England. The project of settling a colony on the isthmus of Darien was also his: a more luminous idea never entered into the mind of man. Darien is situated between Mexico and Peru; it is within six weeks sail of most parts of Europe, most parts of the East Indies, Japan, and China; it is in the heart of the Spanish, French, English, and Dutch, West-India islands; it is not very distant from North America; it is one of the best situations for a colony from a trading and manufacturing country of any on the face of the earth. Paterfon sailed from Leith on the first Darien expedition in 1698, and, on his return, made a report of the colonial proceedings.

This infant colony was ruined by the intrigues of the Spanish, French, and Dutch, Courts, at the Court of London: it was literally starved out; the English colonies in America having been interdicted from supplying it with provisions. Paterfon was sent to Scotland, in 1706, to assist in completing the union. The Parliament of Scotland, considering his services, recommended him to Queen Anne. He was appointed one of the Commissioners for taking subscriptions for the Corporation for carrying on a trade to the South Sea. He died on the 22d January, 1719, without issue, leaving a considerable fortune. A history of this extraordinary man is desirable, and I understand we may expect it from the able pen of a gentleman, eminent for his biographical researches, as soon as his official duties will permit.

genius, an enlightened understanding, and a firm and constant mind; he imparted his scheme to Michael Godfrey, a gentleman of great consideration in the city, and it was often the subject of discussion at a club which they frequented in Friday-street. It met with much opposition. Some thought it might be converted into a job or bubble,* as many other projects had been in these days; others, that it might be made an instrument in the hands of designing men to overturn the Government, then but recently established; and some thought, that, by the influence which Government might acquire over the Bank, it might be made an engine for subverting the liberties of the people.

Many obstacles presented themselves against the scheme, to some of which the projectors were obliged to yield, and others they surmounted.

That the public might not suffer by its being made a job, it was agreed, that the capital subscribed of £1,200,000 should be paid into the Exchequer, and that the Bank should be restricted from contracting debts to a larger amount than that sum. On this capital Government agreed to allow an interest at the rate of eight per cent. per annum, with the sum of £4,000, in name of house-expenses, making together an annual sum of £100,000.

Paterfon is said to have taken the Bank of St. George, in Genoa, for his model for the Bank of England. It was established in the year 1346: by its rules the Capitalists or Proprietors hold periodical meetings, and, on extraordinary occa-

Paterfon likewise projected the Bank of Scotland, which was erected in 1695: its original capital was £1,200,000 Scots, or £100,000 sterling, which it has since, from time to time, increased to one million sterling. Adhering to its original constitution, it exhibits its accounts once a year.

The Royal Bank of Scotland was erected in 1727; it has likewise increased its capital to one million sterling: it exhibits its accounts to the Proprietors four times every year. The Proprietors, from time to time, besides raising their dividend, have incorporated a portion of their profits into the capital, at the rate of so much per cent. by this means augmenting their property in the Bank and increasing the value of their stock.

The Bank of Scotland and the Royal Bank of Scotland are chartered Banks; they are conducted on sound and liberal principles. They have afforded great accommodation to the agricultural, commercial, and manufacturing, interests of that country; but they make no *permanent* advances. No Bank can long be a Bank, if it does.

* These jobs or bubbles were well exposed in a burlesque advertisement at ——— tavern: “On Tuesday next will be opened a subscription of two millions, for the invention of melting down saw-dust and chips, and casting them into deal-boards without cracks or knots.”

sions, are invited to join in the deliberations of the Governors or Directors, who, by the rules of the foundation of the Bank, *are obliged* to lay their accounts before the general meetings of the Capitalists or Proprietors. Independent of the Directors, the Bank of St. George, of Genoa, has a council charged with the control of part of the administration; it is a kind of intermediate power between the Directors and the general meetings of the Proprietors.

This might be imitated here with good effect, by the court of Proprietors appointing nine of their own number, as a standing-committee, to inspect the accounts of the Bank, and to make their reports to the general court of Proprietors, which may be too numerous for the proper transaction of such business in the court. I mention the number nine, as that number of Proprietors is empowered by the constitution to call general courts, and also to require the administration of the solemn obligations required by the charter to be taken by the Governor, Deputy-Governor, Directors, and Proprietors, but which, under the plea of inconvenience, have been dispensed with by an Act of the Legislature,* unless required by nine Proprietors; which dispensation may occasion some relaxation of duty in the general courts, and have bad consequences.

Experience has shewn, that the Bank of Genoa has been administered with great skill and fidelity. The payments are made with the most scrupulous exactness.

The only danger that ever threatened the Bank of Genoa, in the space of four hundred years, arose from the Imperialists. — Maria Theresa having subdued Genoa, the victors imposed all species of exactions: when the empress wanted money, her ministers, as rapacious as they were embarrassed, flattered themselves with the hopes of filling her coffers at the expense of the bank: the revolution, which restored the Genoese to themselves, prevented the entire destruction of it. After the peace of 1748, the first care of the state was to restore the splendor of the bank: all classes were so impressed with this patriotic sentiment, that they immediately united in carrying it into effect; and, in a short time, it became as flourishing as it had been in the most peaceable times.

But, to return to the Bank of England: — the charter recites, that, for securing certain advantages and recompenses mentioned in the Act of 5th of William and Mary, chap. 20, to such persons as should voluntarily advance a certain sum for carrying on the war against France, the royal power (William and Mary) would, as soon as the sum of £ 1,200,000 should be subscribed, as

* See Appendix, page 125, Act 24th Geo. II. chap. 24, sect. 21.

aforesaid,

aforesaid, grant and make forth their royal charter, under the great seal of England, and thereby incorporate all and every such subscribers to be one body corporate and politic, by the name of the Governor and Company of the Bank of England, with such powers, capacities, privileges, benefits, liberties, and advantages, and subject to such rules, restrictions, power of redemption, provisions, limitations, and claims, as therein mentioned; and that they, being desirous to promote the good and benefit of their people, which, in these presents, are chiefly designed and intended, as well as the profit and advantage of all such as had subscribed and contributed according to the said Act of Parliament, grant certain privileges, and impose certain restrictions, (as recited in the charter,) and appoint a constitution for the better ordering, managing, and governing, the stock and other affairs of the said Corporation; and, for that purpose, ordain and appoint, that there shall be, from time to time, for ever, (of the Members of the said Company,) a Governor, Deputy-Governor, and twenty-four Directors: which Governor, Deputy-Governor, or any thirteen or more of them, shall be a court of Directors for managing the affairs of the said Corporation.

The Governor, Deputy-Governor, and Directors, to be chosen annually, by the Proprietors, at one of their general courts; that the Governors shall be each possessed of £4,000 stock, and each of the Directors of £2,000 stock, and each of the Electors of £500;* which sum is a qualification for one vote, and no Proprietor is to have more than one vote: and, in order that no encroachment should be made upon the capital, and that the funds of the Bank should not be applied to wrong purposes, it is ordained, that no dividend shall, at any time, be made by the said Governor and Company, save only out of the interest, produce, and profit; and that the Directors shall not have it in their power to make a dividend without the consent of the Members of the Corporation, in general court assembled, qualified to vote as aforesaid; and that four general courts *at least* shall be held every year; one in September, another in December, another in April, and another in July: and, if there shall be a failure in holding a

* If these were the sums requisite for qualifications, in 1694, when the comparative value of money was much higher than it is at present, when the capital stock was only £1,200,000, and is now near ten times as much, — surely the qualifications of Governors, Directors, and Electors, ought to be advanced.

general court, in any of the said months, by the fault of the Governor or Deputy-Governor, then three Directors may call a general court in the next month.

And the Governors are required, upon demand made by any nine or more of the Proprietors, having each of them £500 stock or more, within ten days of the demand, to call such general court; and, in default of the Governors to call such general court, it shall be lawful for the said nine or more Members, upon ten days notice in writing, to be fixed upon the Royal Exchange, to summon and hold a general court for the dispatch of any business relating to the government or affairs of the Company, and to hear and debate any complaint which may be made against any Governor, Deputy-Governor, or Directors, for the mis-management of his or their respective offices; and, if they do not clear themselves of such complaint to the satisfaction of the majority of the court, that then, within ten days, another general court shall be called and held, finally to determine the same by the majority of their votes, who may remove or displace all or any of the said Governor, Deputy-Governor, and Directors, and elect others in his or their room.

And, in order that the Bank should be as little connected with, and under the influence of, Government, it is enacted, by the 5th of William and Mary, chap 20, that they shall not purchase any land or revenue belonging to the crown, *or advance or lend to their Majesties, their heirs or successors, any sum or sums of money, by way of loan or subscription, on any part of the revenue, other than any part on which a credit of loan is or shall be granted by Parliament.*

And, in order that the Company might not accumulate funds which might be employed to bad purposes, the Act, of the 7th year of Queen Anne, chap. 7, section 63, directs, that *all* the profits, the charges of management *only* excepted, shall be divided, half-yearly, among the partners, for the time being, in proportion to their shares. And this was a wise provision; for, if the sum of £50,000 (a sum comparatively small to the profits of the Company) had been set aside, each year, for the first fifty-three years, from the first establishment of the Bank, and the sum of £100,000 a year, for the next fifty years, to the present time, and had been allowed to accumulate at legal compound-interest, they would have amounted at this time to a sum much beyond one hundred millions. — And if,

The crown of Poland, venal twice an age,
To just three millions stinted, modest Gage!

Reasoning

Reasoning arithmetically, the Bank of England might have been bidders for all the venal crowns in Europe, Asia, and Africa. — There are no crowns of any kind in America!

The Legislature has prohibited the Bank from making any accumulations in that way; but, when an increase of capital at any time seemed necessary, it never prevented them from increasing their capital by subscription, taking care, however, that such additional capital should be pledged in the hands of Government: and this capital has from time been increased, till it now amounts to £11,642,400, on which a dividend is now paid half-yearly, to the Proprietors, at the rate of seven per cent. per ann. which amounts to £814,968 per ann. and the Government's permanent debt is now increased to £11,686,800, being £44,400 more than the capital on which the Bank divides, and the interest from Government, having been reduced from eight per cent. which it was originally, to three per cent. per ann. is now £350,604.

The Select Committee of the House of Commons on Finance, in their fourteenth report, under the head "Bank of England," ordered to be printed 19th July, 1797, state, that, in the year 1796, the disbursements of the public to the Bank of England were composed of various articles.

	£.	s.	d.
1. For the management of the public debt at £450 per million, computing the annuities for years, whether long or short, at twenty-five years purchase, in order to state a supposed capital upon which charges for management are to be estimated - - - - -	137,189	4	1
2. Add to this the farther sum issued annually from the Exchequer, and stated by the Bank to be towards the expenses of the house - - - - -	4,000	—	—
3. The management of four millions capital, purchased, by the Bank, from the South-Sea Company - - - - -	1,898	3	4
4. Upon several services in the year 1796, an allowance for receiving contributions on the loan of eighteen millions, at £805 15s. 10d. per million - - - - -	14,502	15	2
5. Upon a loan of seven millions and a half, at like rate - - - - -	6,003	15	2
6. Also, for the Lottery - - - - -	1,000	—	—
Making the total issue, from the Exchequer to the Bank of England, in the year 1796, for managing the public debt and receiving contributions - - - - -	164,593	17	9
			A

A sum which will certainly be much increased by the operations of the present year, 1797.

In 1786, the charge, for managing the public debt, was reduced, from £562 10s. per million, which had been the charge since the year 1742, to £450 per million; and this stipulation was afterwards confirmed, in the year 1791, by a statute. Since the year 1791, the case is different, and no such stipulation exists. All the subsequent Loan-Acts, and those for funding Exchequer, Navy, and Victualling, bills, have left the contract open; uniformly reserving a power to the Treasury to make any such compensation as should be just and reasonable.

The Commissioners for auditing the public accounts have stated it as their opinion, that the business might be transacted at the Exchequer, as it was formerly, or even at a separate office established for the purpose, at a much less sum than the present charge; but, perhaps, they were not aware that, in every Loan-Act, it is expressly stipulated, that the interest shall be paid to the subscribers at the Bank of England, and that the Bank shall continue a Corporation for that purpose, until the redemption of the principal at par. The public creditor will hardly consent to have the management removed from the Bank. As to the charge of £450 per million on the management of the public debt existing previously to the passing of the statute in 1791, it is become a freehold of the Bank. Of the charge for the management of the debt which has accrued since, the Bank are to judge what is just and reasonable. They will not drive a hard bargain with Government, though Government have driven many hard bargains with them.

The Governor, Deputy-Governor, and Directors, receive no other pay or emolument than the following allowances:

To the Governor - - - - -	£200	} per annum.
To the Deputy-Governor - - - - -	200	
To each Director - - - - -	150	

A compensation far too small for their time and trouble. But their offices have always been considered, and it is to be hoped always will be considered, to be more of an honorary than a lucrative nature; and that no covetous person will ever be elected into the direction.

In 1786, there were 243 clerks employed in the Bank. In 1796, their number had increased to 313. — The expense of buildings must have, of late years, been

Employer

been very considerable. The sum, which it is said the Bank-Stock Office has cost, is scarcely credible.

The Bank of England has, in former times, been in danger; but the Directors had always been successful in their precautions to avert it. In the Rebellion, in the year 1745, the sudden irruption of a small corps of half-clothed, half-armed, and undisciplined, Highlanders had struck a panic into the country. They had penetrated as far as Derby, within 126 miles of the capital. This produced a run upon the Bank for specie; and it was reduced to the expedient of making its payments in silver, chiefly in shillings and sixpences, with which the Directors were provided, in order to gain time, till they were prepared to set on foot an association, for the support of the Bank, which was entered into, at a meeting held at Garraway's Coffee-House, by the most eminent merchants, considerable traders, and proprietors of the public funds, on Thursday, September 26, 1745, to the following tenor:

“ WE, the undersigned, merchants, and others, being sensible how necessary the preservation of public credit is at this time, do hereby declare, that we will not refuse to receive Bank-notes in payment of any sum of money to be paid to us; and we will use our utmost endeavour to make all our payments in the same manner.”

By four o'clock in the afternoon, 1,140 had signed it.

This measure gave immediate relief to the Bank. At this time, the dividend was $5\frac{1}{2}$ per cent.; Bank-stock sold at 141 per cent.; 3 per Cents. at 85.

A resolution of the same kind, and expressed exactly in the same words, was entered into, by the merchants and bankers of London, on February 27, 1797, after the Bank had suspended its payments in cash. It was signed by above 2000 respectable names.

The charter of the Bank requires, that a general court of Proprietors should be held every year, on some day between March 25 and April 25, O. S. for the election of a Governor, Deputy-Governor, and twenty-four Directors; and that notice of that court should be given, in writing, to be affixed upon the Royal Exchange, two days, at least, before the time of its meeting. More publicity is requisite. The day on which the court is held is not generally known, and few of the Proprietors attend.

The constitution of the Bank wisely ordains, that, *at least, eight* of the old Directors *shall* go out of the direction every year; but the Proprietors, if they

T

please,

please, may change the Governor, Deputy-Governor, and the whole twenty-four Directors. It, however, generally happens, that only eight of the number are removed, and that they are replaced by the eight who went out the preceding year: — “Amurath to Amurath succeeds;” and the direction is, as it were, monopolized into the hands of about thirty-four gentlemen, who, with their forefathers and connections, have held it for many years.

There is one evil results from having the same persons always in the direction, — that, having had systems delivered down to them by their predecessors, upon which they have invariably acted themselves, they become so naturalized and attached to them that they cannot perceive their imperfections and faults.

In an excellent treatise, written by Philip Cantillon, merchant in London, published in 1759, entitled, *The Analysis of Trade, Commerce, Coin, Bullion, Banks, and Foreign Exchanges*, speaking of the Bank of England, he says, —

“It is the use and employment which the Bank’s money and notes are put to
“by the Governors and Directors, and the interest received for the capital advanced to Government, which enable this Company to pay their Governors and
“Directors appointments, and all other expenses of carrying on this business,
“and a yearly dividend to the Proprietors of their stock, by two half-yearly payments.”

“Some time previous to these half-yearly payments, the Governors and Directors of this Company call a general meeting of the Stock-Proprietors, before whom they lay the general state of the Company’s affairs, and there determine the quantum of what per cent. half-yearly dividends can be afforded to the
“stock-holders out of the Company’s profits; than which nothing carries the appearance of fairer proceeding.”

By this, it would appear that the present practice is a deviation, which has been made in the present Dynasty, from that which was formerly in use, and which deviation has been attended by its concomitant, the suspension of payments in specie.

On the 27th day of February, 1797, a new æra commenced in the history of the Bank of England, which is detailed at large in the foregoing papers.

An Act has passed, this session of Parliament, restricting the Bank from making payments in specie till one month after the signing of a definitive treaty of peace.

THE END OF THE APPENDIX.

C O N T I N U A T I O N

OF A

POSTSCRIPT

TO

A N A D D R E S S

TO THE

PROPRIETORS OF THE BANK OF ENGLAND.

The man that's true and steady to his trust,
Inflexible to ill, and obstinately just ;
Should the whole frame of Nature round him break,
In ruin and convulsion hurl'd,
He unconcern'd could hear the mighty crack,
And stand unmov'd amidst a falling world.

BY A. ALLARDYCE, Esq. M. P.

One of the PROPRIETORS of the BANK of ENGLAND.

CONTINUATION

POSTSCRIPT

AN ADDRESS

PROPRIETORS OF THE BANK OF ENGLAND

The man that's true and brave to his trust,
Indefatigable in ill, and obstinately just;
Should the whole frame of Nature round him press,
In ruin and convulsion hurled,
He unconcern'd could hear the mighty crack,
And stand unmoved amidst a falling world.

By A. ALFAR DYCE, Esq. M. P.

One of the Proprietors of the Bank of England.

TO THE
PROPRIETORS

OF THE
BANK OF ENGLAND.

On the Bank's Suspension of Payments in Specie;

On the Causes which produced it;

And on the Means which might have prevented it.

ST. JAMES'S STREET, JAN. 20, 1798.

P.S. **Y**OU will find, upon perusal of the foregoing extracts, from the reports of the Secret Committees of the Houses of Lords and Commons, that, in the examination of the Directors, they attribute the cause of the necessity for the Order of Council, of the 26th of February, 1797, to the large advances made by the Bank to Government;* and, as it was in the option of the Directors either to make or to withhold these advances, I think

* See Mr. Bofanquet's evidence - - - - -	Appendix, page 8.
Mr. Raikes's - - - - -	8.
Mr. Giles's - - - - -	9.
Mr. Winthrop - - - - -	10.
Communications between the Directors and the Chancellor of the Exchequer, - - - - -	18 to 48.
Mr. Giles's evidence - - - - -	52 & 61.

it

it may be fairly presumed, that the conduct of the Directors was the cause of the suspension of payments in specie, which took place on the 27th of February last.

To establish this fact, it is necessary to inquire into the conduct of the court of Directors. In making this inquiry, I think it proper to observe, that, as, on the one hand, "I shall nothing extenuate," so, on the other, "I shall not set down aught in malice."

Those of the Directors, whom I have the honour of knowing, I greatly respect. They are all respectable in their private capacities. They are more so; by having been elevated to the honourable situation in which you have placed them. Having accepted of that situation, they have given me, as a Proprietor, a right to animadvert upon their conduct, in their corporate capacity; a right, which I shall exercise (as all rights ought to be exercised) with moderation and temper.

When I speak of the court of Directors, in which I include the Governor and Deputy-Governor, I mean only the majority of that Court; for, it seems the Directors often differed in opinion, and that they had debates,* serious debates,† and divisions.‡

I believe it will not be very difficult to prove, that the connection between Government and the Bank is disadvantageous to both parties, very prejudicial to the public in general, and to the mercantile and manufacturing interests in particular, and that the funds of the Bank ought to have been left unfettered and unincumbered, to give facility to commercial operations, thereby giving an additional active capital to the country, which, by producing materials for exportation, would have turned the balance of trade into our favour, and with it the tide of exchange, which would have brought an influx of gold and silver; all of which, except what was absorbed by the circulation of the country, would have glided into the coffers of the Bank.

For every million, which the Bank advanced to Government, it thought proper to withdraw so much from mercantile discounts,§ or from other operations which would have been equally advantageous to the State and to itself.

* See Appendix, pages 32 and 40. † See Appendix, page 44. ‡ See Appendix, page 22.

§ See Mr. Giles's evidence, Appendix, page 11.

The merchant, not getting accommodation from the Bank to enable him to fulfil his engagements, was obliged to have recourse to his other resources, and to sell out what property he had in Government-stock, or to part with what Government floating-securities he might be possessed of; and many acting, at the same time, in the same manner, from the same necessity, a great value in stock, and a great quantity of Navy and Exchequer bills, were brought into the market, by which the price of stock was depressed, and the discount upon Navy and Exchequer bills was raised; the latter sometimes producing to the purchaser a gain of from £17 to £19 per cent.* which the Government, or rather the public, lost. The public credit suffered. Loans for Government were obtained upon very disadvantageous terms. The public paid a usurious price for the purchase of naval, victualling, and ordnance stores, by paying for them in Navy and Victualling bills, making an allowance to the seller of the current discount of the day, which was from 5 to 15 per cent. When a private individual could purchase a thousand tons of hemp, or any other kind of naval stores, at £50,000, the same quantity and quality cost the public £57,500. The amount of the cost of naval stores, for the four years ending the 5th of January, 1797, was nearly eight millions.† The amount of victualling and ordnance stores must have been proportionably great; and the loss to the public, by the discount upon the bills with which they were paid, enormous; a great part of which would have been saved, if the Bank had employed the money which it advanced to Government in discounting such good and *bona fide*‡ mercantile bills as might have been offered to them, by which the merchants would not have been under the necessity of bringing their Government-stock and other securities to market: and, had the Bank employed the rest of their funds, which were not required for mercantile discounts, in the purchase of Government floating-securities, the discount upon them would have never risen beyond 1 or 2 per cent. (besides the interest which they bore,) which would have been a profit of about 6 or 7 per cent. per annum, and the principal always repaid within fifteen months: the public would have made immense savings in the purchase of naval and other stores, and on the discounts of Exchequer-bills; and, as the price of Government-stock bears

* See Mr. H. Thornton's evidence, Appendix, page 12.

† Ibid, page 50.

‡ I have explained what I call *good* and *bona fide* bills. Note, page 6, of the Address.

always

always some proportion to the value of Government floating-securities in the market, the former being always preferred when bearing an equal interest, on account of the chance of increase of value on the return of peace, fewer of them would have been brought to market by the merchants; and, the Bank employing part of their funds in the purchase of such as came to market, the discount upon them would have probably never exceeded one or two per cent. which would not have been an inducement to any person to part with stock in the funds for the purpose of purchasing them. Had Government floating-securities stood at a discount of from one to two per cent. it is probable Government three per cent. Consols would have never fallen below sixty per cent. Loans for Government would have been made upon much better terms than they have been, and the public would have eventually saved much more than it now owes to the Bank.

Had the Bank employed the whole of their funds in this manner, public credit would have rested on a firmer foundation; and as, in these times, the fate of war depends more upon a long purse than upon a long sword, the enemy, seeing no bottom to ours, might have been inclined to embrace peace upon reasonable terms; and we might, before now, have been enjoying its blessings. We should have been saved from that disgraceful event which happened on the 27th of February, so encouraging to our enemies! so discouraging to ourselves! the evil consequences of which there is no possibility of calculating. They will be for ever felt. The good management of the Bank for another century or two will not wipe off the stigma which some prudence and forethought might have averted.

Having shewn that the connection between Government and the Bank is prejudicial to the public interest, I do not think it will be more difficult to prove that it is injurious to the Bank.

These large permanent advances to Government put the funds of the Bank entirely out of the control of the Directors, so that they cannot regulate their affairs as circumstances may require. It appears, they reduced them to great difficulties, and, at last, produced the catastrophe of the 27th of February.

The Directors, though they declared that the large advances to Government made them uneasy,* and that their advances on Treasury-bills in particular were

* See No. XXV. Appendix, page 36.

highly inconvenient;* yet, instead of breaking a connection so injurious, in their opinion, to the interests of the Bank, they cultivated and increased it upon a scale of progressive magnitude.†

It appears that the debt of Government to the Bank was, in 1777, £7,412,000; in 1786, £6,634,872; in 1796, greater than ever, £11,718,730; and that though in the intermediate time large payments had been received, yet advances, more than corresponding to them, had been made; and that all that the Directors obtained, by their frequent and teasing remonstrances to the Chancellor of the Exchequer, was having the debt transferred from one account, in their own books, to another. It was never reduced, or, at least, never remained so for any length of time.

Government, with respect to the Bank, had adopted the Imperial mode of paying debts. (Lend me ten guineas, and I will pay you the five that I owe you.) They borrow a million on the Consolidated Fund, and re-pay £500,000 owing upon Treasury-bills. They borrow £2,750,000 on the Land and Malt taxes, and re-pay the million borrowed on the Consolidated Fund.

Sir Francis Baring very justly observes, “that whenever the hand of power interferes in the circulation of the country, or in Bank-affairs, it always proves injurious, and sometimes destructive.”

The Bank of England ought to bear no other relation to Government than what a rich individual bears to the State.

Government might with more propriety have called upon Child's or Drummond's, or any other banking-house, for advances, because they could have readily convened all their partners, who might have used their own discretion in the disposal of their own property. The advances made by the Directors to Government was not from *their own* property. It is impossible to convene all the partners of the Bank to use their discretion with their own property; and, if it was, any one of them might state that he had invested his property in the

* See No. XXII. Appendix, pages 34 and 35.

— In the advances on Treasury-bills of exchange the Directors acted constantly contrary to their own opinions, contrary to their own resolutions, and against the conviction of their own minds. See their thirty-six conferences with the Chancellor of the Exchequer, Appendix, pages 18 to 48.

† See No. 13. Appendix, page 71.

Bank, under the consideration that the Directors were to take all lawful ways and means of putting it to the best use; that they were to be equal and indifferent to all manner of persons; that lending on Treasury-bills at five per cent. when it was lawful to purchase Navy-bills yielding ten per cent. was not taking all lawful ways and means of promoting the good of the Bank; that he could not see any equality and indifference in lending almost the whole of the Bank-funds to one great customer upon securities payable in two or three years, and refusing accommodation to their other customers on bills, with the best names in the City upon them, payable in two or three months.

That, if he had a mind to advance his money to Government, he could do it upon much better terms than the Bank did; that the Directors might, if they thought proper, advance their own money on the Land and Malt taxes and on Treasury-bills of exchange; that, after they had done so, he should consider about following their example. That it did not appear to him to be perfectly constitutional to interfere with the House of Commons, which claimed the extensive privilege of providing for the exigencies of the State, and which was the only legitimate source from whence the Government ought to derive supplies.

There seems to be some reason in these objections.

The Chancellor of the Exchequer, in his letter of 27th July, 1796, seems to throw a sort of responsibility on the Directors of the Bank, if they should refuse to comply with his demands;* and they acknowledge the responsibility, by complying with the demand, "from the dread that their refusal might be productive of a "greater evil."† The funds of the Bank of England are no more responsible to the exigencies of the State than the funds of any other Corporation or individual in the kingdom, and the Directors are not answerable for any ills that may ensue by their refusal of a misapplication of their constituent's property. Parliament had only been prorogued a very short time, before this application was made. The Directors might have replied, "Take back the responsibility to yourself to whom "its property belongs: we are only the trustees for other people's property, "which was put into our hands for purposes very different from those to which

* See No. XVI. Appendix, page 28.

† See No. XXII. Appendix, pages 33 and 34.

“ you wish us to apply it. Compliance with your desire would be a breach of
 “ trust to our constituents. We cannot hesitate between the one and the other;
 “ to break our trust would be acting dishonestly. True and steady to our trust,
 “ inflexible to every argument which you can use to make us deviate from it, we
 “ will obstinately persist in doing our duty; and, in doing it, can have no respon-
 “ sibility or consequences to dread.

“ The Proprietors of the Bank of England are in duty bound to bear their share
 “ of the public burden in common with their fellow-subjects, who receive their
 “ income from other sources, and they will never flinch from their duty; but it is
 “ neither reasonable nor just that they should, in proportion to their abilities, not
 “ only bear an equal share of the public burden out of the Corporation, but should,
 “ *exclusively*, be called upon, in their corporate capacity, to bear a still greater
 “ share, by advancing their money to Government, in circumstances the most in-
 “ convenient, and on terms more disadvantageous, than any other Company or
 “ individual are called upon to do; and which, if they were called upon, they
 “ would not do.”

But this was *not* the reply of the court of Directors to the Chancellor of the Exchequer. The court of Directors always resisted the application of the Chancellor of the Exchequer for additional advances to Government by their opinions, but never by their actions; they thought it was wrong to make them, but they always made them; they acknowledged that their conduct in making them led to the event of the 27th February, 1797, which not only very much affected the property, but tarnished the splendor, of the Bank of England.

Having shewn that the connection between the Government and the Bank of England is prejudicial to the interests of both, and to that of the public, it will not be more difficult to shew that it is injurious to the commercial and manufacturing interests of the country.

If merchants and manufacturers were only to trade to the extent of their capital, the trade of this country would not be nearly so extensive as it is. A merchant, having a capital of £ 10,000, invested in goods, sells them to another, for which he takes an acceptance, payable in two months. For this he formerly could have got immediate cash, upon discount of interest, from moneyed men, who employed their capitals in that way; but Government, from the high interest that their securities bear, having created a monopoly of borrowing, the merchants have no other resource for raising money upon discount of bills, but the Bank: and the Bank, by advancing so largely to Government, having put it out of their own power

to afford the accommodation which a fair trader requires, and ought to have: this cramps the merchants and manufacturers in their operations, and destroys so much of an active capital, which would have been employed in extending our commerce and manufactures, and in bringing wealth into the country.

A manufacturer brings his goods to town, for which he finds a brisk demand and a ready sale, for exportation, with payment in a good bill at two months date, with which he applies to the Bank to have it discounted, but has it rejected. If he had been accommodated with the money, he would have instantly gone home and set his people to work, to produce another cargo as quickly as possible; but, not having been able to get his bill discounted, he goes home and discharges his people, not having the means of paying them their wages till such time as his bill becomes due: this diminishes his trade and profits, throws his people out of employment, lessens our export-trade, prevents the influx of the precious metals, and impoverishes the State.

Had the Directors of the Bank made their wheel of mercantile discount, which revolves upon its axis once every sixty days, go round with one constant uniform and regular motion, taking up none but good *bona fide* paper, having, what it gave out yesterday, re-paid to it in two months from yesterday; what it gives out to-day, re-paid on this day two months; what it gives out to-morrow, re-paid to-morrow two months; and so on; there would be little danger of over-loading the wheel: and, if it so happened, being under control, it could be easily regulated; it would perform its rotations with ease and safety to the Bank and great advantage to the nation. But when the Directors connect this wheel, by a back-band, with a wheel at the Treasury, which performs its revolutions only once in three years, and goes by jerks and starts, and very irregular motions; they disorder the whole machinery, they confound all method and order, and reduce the Bank to a disability of performing its natural functions.

Unless the accommodation given to the commercial interest, by the discount of mercantile bills, is constant, uniform, and regular; or, rather, if any thing advancing than diminishing; it can be of little use, and may be of great detriment: for, merchants, finding that liberal accommodation is given at one time and withheld at another, know not on which to depend; if they enter into engagements, the unsteady conduct of the Bank may lead them to difficulty in fulfilling them, and they will not trust to such precarious assistance; so that the Bank, by doing things by halves, do little better than nothing at all.

When

When a power is wanted equal to ten, and one is given only equal to five, the proportion is not as one to two, but, very often, as nothing to ten.

The effect of doing two-thirds of what is wanted, compared to doing all that is wanted, is sometimes as doing nothing at all.

A merchant has £60,000 of good bills, the Bank will only discount £40,000 of them; for want of the other £20,000 his credit is ruined, and he becomes a bankrupt. It would have been no worse with him if he had got no accommodation at all.

The conclusion to be drawn from the foregoing premises is, that the connection between Government and the Bank is prejudicial to both parties, to the public and to trade, and that, therefore, it ought to be dissolved.

The Secret Committee of the House of Commons state, that “ it was the
“ opinion * of persons engaged in commercial and pecuniary transactions, that the
“ diminution of Bank-notes since December, 1795, so far from tending to secure
“ the Bank from the danger of a drain of cash, by contracting their engagements
“ within a narrower compass, has, in effect, contributed to the embarrassment
“ which they have lately experienced, by reducing the requisite means of circula-
“ tion, diminishing the general accommodation by way of discount, and thus occa-
“ sioning a more pressing demand for specie, for which the Bank itself is the
“ radical as well as the ultimate source of supply; and this opinion seems to be
“ founded upon solid principles.”

Mr. H. Thornton states it as his opinion,† that it was the want of Bank-notes, and not of guineas, that had been felt, and no anxiety seemed to be entertained in the City, if Bank-notes were brought into circulation, respecting the manner of contriving to make the smaller payments. There is no counting what evils may have been produced by the withdrawing so many Bank-notes from circulation. We frequently see a bill of exchange for a £100 with ten indorsements: that bill of exchange of £100, in the course of its travels, has extinguished debts to the amount of £1000, and relieved the necessities of ten different people.‡ To suppress

* See the evidence of Walter Boyd, Esq. Appendix, page 10, and of H. Thornton, Esq. pages 11 to 14, and 52 to 56.

† See Mr. H. Thornton's evidence, Appendix, page 13.

‡ Take the following example: Paul, on Monday morning, pays a crown to his baker, the baker buys a crown's worth of faggots, the seller pays a crown which he owed to his shoemaker, the shoemaker

suppress Bank-notes to the amount of a million would, therefore, destroy a circulation of several millions, and diminish the power of the merchant and manufacturer to that extent.

Circulation begets circulation; it encourages industry, it creates new property, and gives life to all the riches of the state. The Bank being the pivot on which commercial concerns turned, by impeding circulation, it obstructed trade. It is not, therefore, to be wondered at, that the merchants, disgusted with these parsimonious proceedings, and having found that the Bank either had not the power or the inclination to supply their wants, should think it requisite that some other establishment should be erected for that purpose.*

In fact, by connecting the Corporation so much with Government, the original features of the Bank had been defaced, and of the picture, so beautifully drawn in its constitution, nothing remained but the frame; and this too at a time "when the general concerns of the Bank were in the most affluent and prosperous situation."

That the conduct of the court of Directors, in making such large advances for Government, was the cause of the suspension of payments in specie, I think has been fairly proved; indeed, the Directors have, with great candour, admitted it.†

The court of Directors, so early as November, 1795, were alarmed for the safety of the Bank;‡ from that time to the 28th of February, 1797, they saw

shoemaker pays a crown which he owed at the ale-house, the ale-house-keeper gives it to his wife, who buys a fan; the fan-maker pays for something else with the same crown, and it possibly may go through several more hands in the course of the day, and Paul may win it back at night at whist, and have it ready to go on a similar journey next day. So that a crown-piece, or a Bank-note, may change hands twenty times a day, and perform the same daily operations more than three hundred times in a year.

* See the resolutions of the Merchants, Appendix, page 17, and Mr. H. Thornton's evidence, page 54.

† See Mr. Bosanquet's evidence - - - - - Appendix, page 8.
 Mr. Raikes's - - - - - 8.
 Mr. Giles's - - - - - 9.
 Mr. Winthrop's - - - - - 10.

‡ See No. IX. - - - - - 24.

Danger

Danger approaching, by slow and measured steps, but they took no precaution to avert his arrival. They knew the avenue by which he was approaching, (to wit, that which communicates between the Treasury and the Bank,) but they did not shut it up.

Every means ought to have been tried to avert that direful event of the 27th of February. I shall mention four methods which have occurred to me, every one of which I am convinced, in my own mind, would have been effectual; and another which, in the opinion of men of superior practice and judgement in pecuniary matters, would have been successful. The four methods which I have thought of are, 1st, a reduction of the Government-debt; 2d, importation of gold and silver; 3d, the issue of one and two guinea notes; 4th, calling a court of Proprietors, and promoting such an association *before* the suspension of payments as was set on foot *afterwards*. The other method which it is likewise thought might have been tried with success was, the issuing a greater quantity and value of the Bank-notes then in use.

As to the *first method*, the reduction of the debt due from Government to the Bank.

If the Directors, when they first perceived the danger which was likely to ensue from the magnitude of the debt, and found that their representations to the Chancellor of the Exchequer had no effect, had had the firmness to have refused to make any farther advances, (and this might have been safely done during the sitting of Parliament,*) and had applied the payments which were made weekly from the produce of the Land and Malt taxes to the reduction of the debt, instead of going on upon a growing scale of advance, this measure, by the admission of the Directors themselves, would have prevented the necessity of a suspension of payments in specie.

As to the *second method*, the importation of gold and silver.

Mr. Daniel Eliafon, whose profession is the exchange-line, and whose very distinct and sensible evidence † proves that he understands his business, states, that there was plenty of gold and silver at Hamburgh, and that, for two months prior

* Parliament for these two years have sat eight months in the twelve.

† See Mr. Daniel Eliafon's evidence, Appendix, page 11, and 57 to 61.

to the 27th of February, 1797, the exchange had been favourable for bringing it to this country.

Had the court of Directors considered and resolved upon bringing a sufficient quantity of gold and silver from Hamburgh about the beginning of January, 1797, which they could have done without loss, the exchange being at that time at thirty-five schellings, six grotes,* it would have prevented the necessity of a suspension of payments in specie on the 27th of February.

Mr. Eliafon states, that the par of exchange between London and Hamburgh is thirty-three schellings, eight grotes, and that the charge of sending £100 in cash from London to Hamburgh is about £3:12:11; therefore, if the gold and silver had been brought, there was no danger of its being carried back till the course of exchange had fallen very considerably, which it has not hitherto done, the exchange being this day, notwithstanding the vast influx of gold and silver, at thirty-eight schellings, two grotes. Mr. Eliafon states, that he had imported a large sum in gold for the Bank since the 27th of February at very little loss, and that he had no objection to order a million or two more; and that he thought it might be procured upon nearly the same terms.†

On the 21st of February, 1797, the Chancellor of the Exchequer expressed his hope that the Directors would endeavour to obtain a supply of gold from foreign countries, which, the Governor told him, *they were considering about.*‡

But these considerations came too late to avert the event of the 27th of February.

Had the Directors considered, and ordered remittances of gold and silver a month or two earlier, they would have prevented the necessity of the suspension of payments in specie. — What marks and constitutes a great character? Among other qualities, presence of mind, quickness of thought, promptitude of action, firmness, circumspection, and forethought: — but the Directors seem to have been deserted by all these enumerated qualities.

* See Course of Exchange between London and Hamburgh, Appendix, page 79.

† See Mr. Daniel Eliafon's evidence, Appendix, page 60.

‡ See No. XXXIV. Appendix, page 47.

Had Admiral Duncan considered only for an hour about his sailing from Yarmouth-Roads, the Dutch fleet, instead of being moored in the Thames, would have been riding at anchor in the Texel, menacing our trade with destruction and our coasts with devastation.

It would have been also proper, that the Directors had attended to the state of the coinage at the Mint.

In 1793 and 1794, the amount of the gold coinage was above £5,300,000.*

In 1795 and 1796, the amount was less than - - - - - 860,000.

In these last years of difficulty and danger, care should have been taken that the coinage should not have been diminished.

As to the *third method*, the issue of one and two guinea notes.

A measure of this kind was suggested to the court of Directors, by a worthy Baronet,† in September, 1796. If they had adopted this measure at that time, and had issued a million in value in guinea and two-guinea notes, I do not think it is a paradox to say, that it would have kept in, or have brought into, the coffers of the Bank two or three millions of guineas; for, those who had frequent occasion to make small casual payments, when there were no small notes, found it most convenient to have guineas by them for that purpose, and accordingly would take, from the Bank, or their bankers, one hundred or fifty guineas at a time, to use as their occasions might require; but the greatest part of them would lie for some time idle by them, and the rest would be a long time in finding their way back to the Bank; but, if there had been one and two guinea notes to be had, those who had small occasional expenses to pay would have found them equally or more convenient than guineas, and would have given the former the preference; so that the Bank would have been called upon for very few guineas, and every guinea-note which was put into circulation would have banished a guinea from it, which must have gone to the Bank.

When the run was made upon the country-banks, and they made a run upon the Bank of England, for guineas, had there been guinea-notes, they would have taken the latter in preference, as being of more safe and easy

* See an Account of the Gold and Silver Coinage, Appendix, page 66. † Sir John Sinclair.

conveyance, and they would have passed equally well with them as guineas; because, the reputation of the Bank of England for always paying their notes in gold, when it was demanded, *was* well established all over the kingdom.

I agree, with Sir Francis Baring, that, "when pecuniary operations amount to hundreds and thousands, notes for pounds are proper, and answer the purpose of transferring debts from one person to another, in cases where gold would be inconvenient and troublesome; but, when it relates to the few guineas which are used in daily or hourly payments, and carried in every man's pocket, Bank-notes for pounds are inconvenient, while those for guineas are the reverse."

I also think, that, when the Bank resumes its payments in specie, from the scarcity of silver, the possessors of the pound and two-pound notes will carry them in, in order to obtain change; whereas, if the notes had been for guineas and two guineas, it is hardly probable they would have put themselves to the trouble of changing paper for gold. I fancy, that the great increase* of cash at the Bank is more to be attributed to the operation of small notes than to any other cause.†

Had the Bank issued these small notes in time, I am convinced there would have been no necessity for the suspension of payments in specie.

As to the *fourth method*, the calling a court of Proprietors, and promoting such an association, *before* the suspension of payments, as took place *afterwards*.

Had the court of Directors, (having neglected to take any of the precautions before-mentioned,) at any time in the week ending on Saturday, the 25th of February, 1797, called a court of Proprietors, and informed them, as they did *afterwards*, that the general concerns of the Bank were in the most affluent and prosperous situation, that the amount of cash and bullion in the House was three times greater than at times when they had not the least apprehension; but that this

* See Report of Secret Committee, Appendix, page 80.

† The bankers, finding small notes as convenient as guineas, took out only a sixteenth part of the specie they had lodged in the Bank, instead of three-fourths, which they had a right to demand. See Appendix, page 81.

country, being engaged with mad and desperate enemies, who had avowed their purpose to attack it, by means of its public credit, and to distress it in its financial operations, ought to be guarded against their machinations; that, therefore, the Directors had thought it prudent to ask the counsel and advice of the Proprietors in a matter which so much concerned their interest. I think there can be no doubt but the Proprietors would have instantly proposed an association, similar to that which had had so good an effect on a former occasion,* for the circulation of Bank-notes, and for refraining to demand cash at the Bank. In this they would have been joined by every well-wisher to his country; and there is not a doubt that this measure would have instantly relieved the Bank, and that the necessity for the suspension of payments in specie would have been prevented.

As to the fifth method, (which, it was the opinion of men of judgement in the commercial line, might have been tried,) the issuing a greater value of the Bank-notes then in use, being a speculative opinion, though it appears to me to be founded upon solid ground, it is more the province of those, who are better acquainted with pecuniary transactions than I am, to decide upon it. The authority from whence this opinion comes sways me to be very much inclined to it.† No more harm would have resulted from giving it a trial, than what happened without making the experiment. The trade and expenditure of the country required a greater sum of Bank-notes and specie, and a reduction of either would occasion difficulty. If there was a scarcity of Bank-notes, there would be a greater call for gold. If there was a scarcity of gold, there would be a greater call for Bank-notes. The Bank, by the issue of a greater value of Bank-notes, might have prevented the run upon them for gold. If the trade and expenditure of the country increases, it must have a proportionate increase of the circulating medium, money or Bank-notes, to carry it on; for, it cannot be carried on by bartering one thing for another. A bank, with a capital of £100,000, in the year 1695, was sufficient for the trade and expenditure of Scotland; in 1797, two chartered banks, with a capital of £2,000,000, with upwards of thirty private banks, were not more than sufficient for its increased trade and expenditure.

The exports‡ from Great Britain, in 1790, were - - - - £20,120,121
 The exports from Great Britain, in 1796, were - - - - 30,424,184

* See Short Account of the Establishment of the Bank, Appendix, pages 130 to 138.

† See Mr. H. Thornton's evidence, Appendix, pages 55 and 56.

‡ See Table of Exports, &c. Appendix, page 64.

The expense of living, the price of labour and of consumable commodities, had greatly increased in the same space of time, and required more money or more Bank-notes. But the Directors chose to furnish Bank-notes in an inverse ratio.

The Bank-notes in circulation,* in 1790, were in value - - - £11,510,000

The Bank-notes in circulation, in 1797, February 25th - - - 8,640,000

In this examination into the conduct of the Directors, in which, I am sorry to say, I have found nothing to praise, but much to blame; I have, however, found nothing that could give rise to the most distant idea, that there was any thing either criminal or corrupt.

Neither can I attribute their conduct of our affairs to a deficiency of "skill and understanding," which might have been pleaded as a sufficient excuse, as they had only engaged to conduct them "to the best of their skill and understanding;" but, in the management of their own affairs, they have manifested much skill and judgement, which have been attended with corresponding prosperity and success. I am inclined to think, that, having so much business of their own to attend to, they have not been able to give due attention to our's.

Having suffered in common with you, by the management of the Directors, and having given vent to my sentiments on the subject, I harbour no resentment.

I am your most obedient humble servant,

ALEXANDER ALLARDYCE,

One of the Proprietors of the Bank of England.

* See Table of Bank-notes in circulation, Appendix, page 76.

THE END.

A
SECOND ADDRESS
TO THE
PROPRIETORS
OF
BANK OF ENGLAND STOCK.

BY ALEXANDER ALLARDYCE, Esq. M. P.

One of the PROPRIETORS of the BANK of ENGLAND.

NO ARGUMENT LIKE MATTER OF FACT IS.
BUTLER.

L O N D O N:
PRINTED FOR W. J. AND J. RICHARDSON, UNDER THE ROYAL EXCHANGE;

By Thomas Maiden, Sherbourn-Lane, Lombard-Street.

1801.

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TO THE
PROPRIETORS
OF THE
BANK OF ENGLAND.

LONDON, MAY 15, 1801.

MANY of you are of opinion, that some benefit has already resulted from the pains I have taken to investigate the concerns, and to throw light upon the obscure and mysterious affairs, of the Bank of England*, and encourage me to perseverance, under the well-grounded hope, that the voice of reason and justice must be heard, and will ultimately prevail, against inveterate prejudices. I did not engage in this investigation upon slight consideration, or without well weighing the consequences that would arise, both to you and to myself. As to you, ye may be benefited, but ye cannot be injured by it: as to me, the labour and trouble I have had have been considerable, but they are hardly worth mentioning. Mystery is the vain attempt of weak minds to cover Truth with a veil, but sooner or later she will emerge to light. To endeavour to withdraw the veil from Truth, is a grateful task: "The labour we delight in softens pain." Satisfied, after long and serious contemplation on the subject, that the affairs of the Bank are not managed as they ought to be, and that the Proprietors do not derive such extensive benefits from their concerns in it, as they are by law, by reason, and by justice,

* Vide First Address to the Proprietors of the Bank of England, with an Appendix; published by Richardsons, Royal-Exchange.

entitled to; and being fortified in this opinion, by that of some of the most eminent men in the profession of the law, I shall persevere in prosecution of the measures I have adopted, and shall do every thing in my power to bring the administration of the Bank (vested in the Court of Directors and Court of Proprietors under limited powers) to conform to the Laws of the Land, and to the Charter of the Bank; both which have, in the plainest terms, prescribed rules for its conduct: the chief of which are,

“ That *all* the Profits, Benefits and Advantages arising out of the management of the Bank of England, shall (the charges of management *only* deducted) be divided, from time to time, among the Proprietors *for the time being*, according to their respective Shares of Stock, and that these Dividends be made at least twice in every year.” See Act of 8th of Will. III, chap. 20. 9th Will. III, chap. 3. and 7th Anne, chap. 7. sect. 63.

The law cannot speak in plainer language, than that the *whole* profits are to be divided; yet the Directors, strange to tell, (some of themselves legislators,) give their opinions, that this law ought not to be obeyed, and that only part of the profits should be divided.

But I say, it is not pertinent to the Directors to give any opinion upon the subject; it is their Duty* to lay an account of the general state and condition of the Company, with an account of the profits for the half-year immediately preceding the General Court, and an account of the money *necessarily* expended in the management for the said half-year, before the General Court, by which the net profits will be known; and the Proprietors in General Court are directed by law (for it is not left to their discretion) to declare a dividend of the whole net profits. Whether this law is right or wrong, neither the Court of Directors, nor the Court of Proprietors, have any right to question: it is their duty to obey it; and if they should so far forget what they owe to their own characters, as to refuse obedience, it will make itself obeyed.

But the Directors do question it, and argue in this manner:—If we give it as our opinion, that the whole profits should be divided, as the law directs, they may this year yield a dividend of 12 per cent. possibly next year only

* Vide Mr. Mansfield's Opinion, Appendix, No. III.

a dividend of 11 per cent. the year after only 10 per cent. and so decrease to what they are at present, 7 per cent. which would be very inconvenient to the Proprietors, as they might regulate their expences according to the highest dividend, and would find it difficult to reduce them in proportion as their dividends might be reduced: but we will act as Stewards to the unprovident Proprietors, and give them only so much of what belongs to them, and lay by the rest so carefully, that they shall never see it; it shall go to increase the hoard at the Bank, which we will divide when we see proper. Besides, (say they,) an increase of dividend would cause fluctuation in the price of the Company's Stock, which would be attended with great evils.—In answer to this mode of arguing, it may be said, that the Proprietors have a right to what belongs to them, and to dispose of it as they please; and that stating an account, and making dividends, of the whole profits, would be the means of preventing fluctuation in the price of Bank Stock; for the profits of every succeeding half year, would be so little more or less than the one which preceded it, that much fluctuation in the price of stock would not happen. It would also prevent speculation. And those who are well informed about the Company's affairs, would not have the opportunity of taking advantage of those who have not the same means of information, of which I believe there have been some instances*.

* A friend of mine gives me the following anecdote.---A little before the Directors made the unexpected declaration, that in their opinion the dividend for the half year ending the 5th April, 1788, might be at the rate of 7 per cent. per ann. instead of 6 per cent. per ann. which had been the dividend from the 10th October, 1781, to that time, an acquaintance of his, who would be called *a good man upon Change*, came to him, and told him, that, for a particular purpose, he had occasion for a large sum of money, and requested he would lend him whatever he could spare, which he would punctually return in a few weeks. He accordingly let him have several thousand pounds; at the same time expressing his surprise, that he, who had usually the command of a great deal of money, and who was more commonly a lender than a borrower, should be in want of money. He told him, he might hereafter inform him for what purpose he wanted it. Soon after the declaration of the dividend, he accordingly informed him, that a little time before he had had a dream, that the purchase of Bank-Stock would be a good speculation, and that he had therefore purchased a considerable value in Bank-Stock, which would turn to very good account.

My friend requested that, hereafter, he would have the goodness to communicate his dreams before he borrowed his money, and that he would willingly take them as a guide to his own speculations, as he was not very perfect in the art of dreaming himself.

I am told there were a few more dreams of the same nature about the same time.

But

But the Directors must be exceedingly ignorant of Bank affairs, if they do not know, that, under the present system of management, the fluctuation on the price of stock has been greater than it can possibly be under the other.

£

The price of Bank-Stock was, February 14, 1792, 220 per cent.

25, 1797, 130

June 1, 1797, 115

March 1801, 150

May 1, 1801, 169 $\frac{1}{4}$

I submit to you, whether the fluctuation can be greater than it has been; and whether laying the half yearly accounts of the net profits before the General Courts, would not tend to diminish the fluctuation of, and the speculation in, the Company's Stock.

But whatever be the consequence*, the Proprietors *for the time being*, have a right to the whole of the profits *for the time being*, and also to the surplus profits that have been unjustly withheld from the Proprietors in time past; for having acquired their stock, the Proprietors for the time being are intitled not only to the stock, but to all the benefits "arising thereby." These are the words of the transfer in the Bank-Stock Books.

I shall now demonstrate to you, that the present profits of the Bank, instead of the present dividend of 7 per cent. per annum, which is now paid the Proprietors, can well afford a dividend of 10 per cent. per annum, *and more*; but how much *more* I have not sufficient data to pronounce. The surplus profits on the 27th February, 1797, were, £3,826,890; the accumulation since must be very considerable.

On Monday, the 23d March, 1801, Samuel Thornton, Esq. then Governor of the Bank of England, in his place in the House of Commons, on the motion of a Member, for leave to bring in a Bill to restrain the Bank from increasing their Dividends, during their suspension of payment in Specie, stated to the House, *that, exclusive of the £582,120, which had been*

* Fiat justitia—ruat cælum.

voted at the General Court of the 17th March, as a bonus or additional dividend, the surplus profits were MORE than they were on the 27th February, 1797.

This is a very desirable datum; from which it is easy to calculate what *at least* have been the net profits of the Bank for the last four years and a half, and the annual average of the same: but neither Mr. Thornton, nor the Directors, have furnished us with sufficient data to calculate *how much more* they have been, though they must have been very considerably *more*.

The Proprietors have received in dividends from the Bank, for the last four years and a half, ending the 5th April, 1801, the following sums:

5th April and 10th October, 1797, dividend on £11,642,400, at	£
7 per cent. per annum - - - - -	814,968
5th April and 10th October, 1798, ditto on ditto, at ditto - -	814,968
March, 1799, a participation <i>pro rata</i> of 10 per cent. in 5 per	
cent. Ann. 1797 - - - - -	1,164,240
5th April and 10th October, 1799, dividend on £11,642,400, at	
7 per cent. per annum - - - - -	814,968
5th April and 10th October, 1800, ditto on ditto, at ditto - -	814,968
March 19th, 1801, participation <i>pro rata</i> in 5 per cent. Navy	
Annuities, voted this day - - - - -	582,120
5th April, 1801, dividend on half year ending this day, on	
£11,642,400, at the rate of 7 per cent. per annum - - - -	407,484

Dividends paid to the Proprietors in the four years and a half ending the 5th April, 1801 - - - - - £5,413,716

Being, on an average, a dividend at the rate of £10 : 6 : 6 per centum per annum, (and a very small fraction,) which you have actually received, viz.

For the year ending 10th October, 1797, on £11,642,400, at	£
£10 : 6 : 6 per cent. per annum - - - - -	1,203,048
Ditto 10th October, 1798, on ditto, at ditto - - - - -	1,203,048
Ditto 10th October, 1799, on ditto, at ditto - - - - -	1,203,048
Ditto 10th October, 1800, on ditto, at ditto - - - - -	1,203,048
For the half year ending 5th April, 1801, on ditto, at the rate	
of ditto - - - - -	601,524

Total £5,413,716

And, after payment of these dividends, the funds of the Bank are encreased, and are *more* now than they were in 1797; but how much *more* we do not know, nor how much *more* dividend the profits could have afforded, as we do not know the extent of them; but we know that, during that period, the defalcations from them were uncommonly great, and such as it is to be hoped will never happen again.

At a General Court, held the 6th February, 1798, a few of the Proprietors took upon them to make a contribution* of £.200,000 to Government, out of the profits of the Proprietors of the Bank. This may have been a voluntary contribution on the part of those who voted it, but was involuntary on the part of those who paid by far the greatest part of it. The General Courts, by the Charter, have no power over the profits, but in declaring dividends of the whole of them, to be made from time to time among the Proprietors. It is an absurdity to suppose that a person, by the purchase of £.500 stock, can make himself the representative of the other Proprietors, for the purpose of disposing of their property, without their consent.

Many of the Proprietors had, from patriotic principles, made a voluntary contribution to the utmost extent that their circumstances could afford, yet they found afterwards that they had several hundred pounds more to pay out of their property at the Bank. If a few Proprietors near the Bank have a right to vote away £.200,000 of the property of the Bank, they have an equal right to vote away millions, or the whole property. But no vote of the General Court can sanction the Directors to pay any money, but in dividends of the profits to the Proprietors, in proportion to their share of stock; and the Directors are responsible for any misapplication of the funds under their management.

Contributions from the Bank have of late been more frequent than heretofore. There have been large contributions to a naval pillar, to soup kitchens,

* Act of 8th William III. chap. 20. section 33, 1697. " And be it further enacted, That the
 " common capital and principal stock, and also the real fund of the Governor and Company of the Bank
 " of England, or any profit or produce to be made thereof, or arising thereby, or the particular share,
 " part and interest of any Member of the said Corporation in the said stock or fund, or the profit or pro-
 " duce to be made thereof, or arising thereby, shall be and is hereby exempted from any rates, taxes,
 " assessments, or impositions whatsoever, during the continuance of the said Bank."

and

and other charities†, which may be all good in themselves; but the Directors have no right to dispose of the Proprietors' money in any thing but what comes strictly under the head of charges of management.

The expences of building also, during the period alluded to, have been enormous; but it is to be hoped, when there is no more room within the precincts of the Bank for building upon, that there will be an end to them.

Had it not been for this extra expenditure, the dividend might have been considerably more than £10 : 6 : 6 per cent. per ann. for the last four years and a half.

It was long a matter of astonishment to me, that the Directors, who I supposed had a common cause with the other Proprietors, should be so adverse to their interest, as to withhold from them an account of the state and condition of the Company, with the other accounts necessary for declaring proper dividends with any sort of precision; and also giving it as their opinion, that only a certain part of the profits should be divided, instead of the whole, as the law directs. I have also wondered why gentlemen of great wealth, and engaged in concerns much more important to themselves than the concerns they have in Bank Stock, which are very small, should be so ambitious to be Directors, and give up so much of their very valuable time for the paltry consideration of a salary of £150 per annum, which any of the clerks in their counting-houses would despise as an inadequate reward for his services; and for the very small additional emolument that could arise to them from the profit arising from their stock in the Bank, even if they were to bestow their utmost attention to good management. I had been often told, that the Directors had many *unseen* advantages, of which the unenlightened had no conception, but I did not know how to believe it. I have, however, since, accidentally discovered that they have not a common cause with the other

† If at a meeting of a Court of Directors, and a Court of Proprietors, the Members attending these Courts were to see at the gates of the Bank a number of poor people almost perishing for want, it would be their duty as men and as Christians to relieve them out of their own pockets, as their circumstances might allow; but it would be unlawful and unjust to take any money belonging to the absent Proprietors from the Bank for that purpose; for these absent Proprietors may have cases as clamant and as distressful within their own circumspection, which it is equally their duty to relieve. In short, the profits of the Bank are only applicable to what can come strictly under the head of charges of management, and the remainder is to be divided among the Proprietors in proportion to their share of Stock.

Proprietors, and that they have derived much greater advantages from other sources*, than from their small salaries, or from the profits and produce of their small shares in Bank Stock. They have it in their option to have large shares in all public loans, which have generally turned out very beneficial; several of them have had very beneficial contracts under Government, and probably still have them. I do not mean to insinuate, that the interest they have in these, influences them in their duty to the Company; but it is a separate interest from what they derive from their stock, and therefore they have not a common cause with the other Proprietors, whose interest alone consists in the produce of their stock; and it is so natural to those who have beneficial contracts, to wish to conciliate the favour of those through whom alone they are to be obtained, that the wisdom of the legislature has thought fit to exclude all persons who have contracts under Government, from seats in the House of Commons.

It is upon record in the Reports of the Secret Committees of the Houses of Lords and Commons, in 1797, from the evidence of the Governor of the Bank, and some of the Directors†, that the over persuasive eloquence of a very great Minister (who, from the necessities of the state, was obliged, on some emergencies, to have recourse to every expedient for raising money) had induced the Directors, contrary to their own opinions, to make such large advances to Government, as to occasion the catastrophe of the 27th February, 1797, by which the splendor of the Bank was very much tarnished, and the property of the Proprietors very much depreciated.

* Vide Report from the Select Committee of the House of Commons, who were appointed to inquire into the Circumstances of the Negotiation of the late Loan. Ordered to be printed 9th February 1796.--Appendix, No. V.

N. B. Messrs. Boyd and Co. Mr. Morgan, and Mr. Mellish, were competitors for the Loan of £18,000,000, for the service of the year 1796. Mr. Morgan thinking an undue preference had been given to Mr. Boyd, who obtained the Loan, was loud and deep in his complaints; the matter was brought before the House of Commons, and they appointed a Select Committee to inquire into the circumstances of the negotiation of the Loan.---You will find in the Appendix some Extracts from their Report, which tend to throw light on some of the mysteries of the Bank of England.

Vide also an Extract from a List of Names of the Subscribers to the Loan of £18,000,000, for the service of the year 1797.---Ordered to be printed 1st June, 1797.---Appendix, No. VI.

† Vide Reports of the Committees of Secrecy of the Houses of Lords and Commons, Appendix to First Address, page 1 to 81. See also First Address, page 141, 142.

In looking over the printed list of Proprietors*, I observe, that the preponderating power in the present Court of Directors, that is a majority of the Court, thirteen in number, have only a bare qualification of £2000 each of Bank Stock, which shews that they do not consider it as a very lucrative concern; and it is of very little moment to men of their opulence, whether it is or not, or whether they draw a dividend on their stock of 7 per cent. per ann. which would produce them £140, or of 12 per cent. per ann. which would produce them £240 per ann. One of the most powerful incentives to human exertion is self-interest. It is to be supposed, that if the Directors were more interested in the stock of the Company, their exertions to promote larger dividends would be greater; for duty without interest is apt to relax; and this was the supposition of those who established the Bank; for the Charter required, when the capital was so small as twelve hundred thousand pounds, that a Director should have at least two thousand pounds stock, that his interest in the Company might be some consideration to him; and I speak within bounds when I state, that £2000 were of more value at that time than £8000 are now.

But the capital of the Bank has been increased from twelve hundred thousand pounds to very near twelve millions; and if we take in the surplus profits (which, while they remain in the Bank, can only be considered as an increase to the capital) to sixteen millions, surely the qualification of a Director ought to be increased in the same proportion. In that case he would have a powerful incentive, exclusive of his duty, to promote the good of the Corporation; that is, of the Proprietors.

I cannot conceive any grounds for the apprehension that the affairs of the Bank should take a retrograde course; on the contrary, there are solid grounds for believing, that they are, and will continue to be, in a progressive state of improvement. The national debt is annually increasing, for the management of which the Bank receive increasing emoluments. The dividends to the public creditors, the exports and imports †, the agriculture, trade, commerce, and manufactures of the country, are progressively increasing, as are the taxes; and duties of Customs and Excise, the price of

* To be had at the Bank Stock Office.

† Vide Appendix, No. VII.

saleable and consumable commodities, has been nearly doubled; the price of labour, and the expence of living, have been greatly increased: all these circumstances require an immense circulation of Bank-paper*, and must augment the profits of the Bank, and consequently increase your dividends.

If you will come forward, and give your support to measures calculated to promote the good of the Bank of England, (that is your own,) by having the account of the state and condition of the Company, with the half-yearly accounts of the profits and charges of management laid before the General Courts, and will contract the expences and waste of money on buildings, and will also restrain the exorbitant advances for the public service†, which the Directors themselves admit have been highly detrimental, and will direct a dividend of the whole profits as the law requires, I have not the least doubt but your dividends will in a short time be above 12 per cent. per ann. and the price of your stock above 300 per cent.

Nor need this be surprising: I know a very considerable Country Bank, without many of the privileges and advantages of the Bank of England, which has divided for many years $13\frac{1}{3}$ per cent. on the capital advanced, and every year increases that capital by its surplus profits. I have it from very good authority, that this is no uncommon thing among Country-Banks.

I shall just advert to the system of mystery, which unaccountably prevails over all the affairs of the Bank‡, from which no good can possibly arise. Neither the Governor, Deputy-Governor, nor Court of Directors, nor any of them, are under any obligation to secrecy: it would be imprudent and dishonorable in them to reveal the secrets of those who have dealings with the Bank; and it is needless, and might be improper, to inform every inquirer, what amount of cash their coffers contain; but every other matter relative to the Bank they may discuss with as much freedom as they do the news of the day.

* Vide Appendix, No. VIII.

† See an Account of Money advanced for the Public Service by the Bank of England, and outstanding on the 5th April, 1801, Appendix, No. IX.

‡ Glomerare sub antro
Fumiferam noctem. VIRG.

It is a maxim, that where there is concealment, there is something that requires concealment. To promote public confidence in the Bank, its affairs should be generally known; and I trust they will bear the light.

It is the duty of the Court of Directors to give the Proprietors in General Court, every information with respect to their affairs. Had it not been for the investigation which took place in the Houses of Lords and Commons on the disaster of the 27th February, 1797, we should have been much more in the dark than we are. The Directors were obliged to disclose the state of their affairs, and it is published in the Report* of these Committees. They were also obliged to give in some documents, which have furnished data for a pretty accurate estimate of the net profits of the Bank for the year ending the 27th February 1798, which, though a very bad year for the Company, (*i. e.* for the Proprietors,) would have afforded them a dividend of about the rate of 11 per cent. per annum.

We have also, by other means†, obtained data to calculate what the profits were, *at the least*, for the four years and a half ending the 5th April, 1801, which produced, on an average, a dividend of £10 : 6 : 6. per cent. per annum, during that time; but we are kept in the dark as to how much *more* they would have afforded.

The East India Company, since the renewal of their Charter, are obliged to lay a state of their affairs before the House of Commons every year. The account of the receipt and expenditure of the national revenue is annually laid before the House of Commons, made out as correctly, and as easily understood, as any merchant's accounts, and balanced to a single farthing‡.

The two chartered Banks of Scotland, who are in very prosperous circumstances, with capitals of one million each, one of them lays its accounts before its Proprietors twice a year, the other four times a year; yet no harm, but a great deal of good, has resulted from this publicity.

* Vide Appendix to the First Address, page 1 to 84.

† Vide Appendix to this Address, No. XI.

‡ Some years ago, credit was given, in *this account of millions*, for three farthings received of Sir John Dalling, Bart. late governor of Jamaica, balance of money paid him to account.

Even in matters of comparatively small moment, the Court of Directors observe a narrow and mysterious policy.

It is necessary that the Proprietors should be timely informed of the days appointed by the Directors for the holding of General Courts, and of the purposes for which they are to be held, that they may have an opportunity of attending to their interests at these Courts; yet the only intimation which the Directors give, is published a very few days before the holding these Courts, in the Royal Gazette, a paper which few of the Proprietors ever see. To be sure the Charter says, that intimation shall be given in the Gazette, or by a writing affixed to the Royal Exchange; but it does not restrain the Directors from making the necessary publication. If they were desirous the General Courts should be fully attended, they would give at least ten days' notice of them in all the public papers, as is done by the East India Company. I would ask the Directors if, in their own concerns, they would wish to have any thing generally known, as the sale of an estate, or the public sale of a large quantity of merchandise, if they would only publish an advertisement of it, three or four days before in the Royal Gazette? Notice* of the General Court of Thursday the 19th March last, was only given in the Gazette of Saturday, the 14th of March; and had I not accidentally seen it, and got a letter printed and circulated† among the Proprietors, on Monday the 16th, I do not believe that twenty Proprietors, exclusive of the Court of Directors, would have attended the Court. That letter, however, produced a very full attendance of Proprietors.

On Thursday, the 17th March, I delivered to the Deputy-Governor at the Bank, a notice‡, that at the General Court on Thursday, the 19th, a

* The 12th Bye Law ordains, That Twice in every Year a General Court shall be called and held, *for considering the General State and Condition of this Corporation*, and for making Dividends out of all and singular the Produce and Profit of the Stock and Fund of this Corporation and the Trade thereof, amongst the several Owners and Proprietors therein, according to their several Shares and Proportions.

In the Advertisement in the Gazette, the words in Italics are left out; whether designedly, or not, I won't pretend to say: it only says, To consider of a Dividend, &c.

† Vide Appendix, No. I.

‡ Vide Appendix, No. II.

demand would be made, for an account of the state and condition of the Company, with an account of the profits and charges of management for the current half-year; and that a motion would be made for a dividend of the whole net profits. I also delivered him a copy of a case* I had stated to Mr. Mansfield, with his opinion thereon. The same day I sent to the Governor, Deputy-Governor, and to each of the Directors and Ex-Directors, one of the printed letters abovementioned.

At the meeting of the Court, I made a demand, that the accounts (so often mentioned) should be produced, and delivered that demand † in writing to the Governor, and it stands upon the minutes of the Court. I stated, that if the accounts, by which alone could be known what the dividend exactly ought to be, were refused, I intended to move, that the dividend for the half-year ending the 5th April, 1801, should be at the rate of 10 per cent. per annum. I also delivered in the case submitted to Mr. Mansfield, with his opinion, that it was the *right* of every Proprietor to demand these accounts, and the *duty* of the Directors to produce them, both which were read in Court by the Secretary. The subject of the printed letter, already referred to, (copies of which letter lay upon the Directors' table,) and which I read as part of my speech in Court, was discussed. By the Charter, General Courts may make bye-laws relating to the affairs of the Company, so that they be not repugnant to the laws of the kingdom. The Acts of 8th William III, chap. 20, and 7th Queen Anne, chap. 7, sect. 63, direct that all the profits shall be divided. Bye-law 12th ordains, that General Courts shall be called and held for considering the general state and condition of the Company, and for making dividends, *out* of all and singular the profits of the stock. Some stress was laid on the words "out of all and singular the profits," as if the meaning was, that only a part of the profits was to be divided.

Now, in the first place, the laws of the kingdom direct all the profits to be divided. If this bye-law ordains the contrary, it is *ipso facto* null and void; but it has no such meaning; the words "Out of all and singular the profits," do not mean a part of the profits.

* Vide Appendix, No. III.

† Vide Appeddix, No. IV.

It would not be a solecism in a person to say to his servant, Take this guinea, and *out* of it give a shilling a piece to twenty-one poor people in the street. If the servant should reply, Sir, if I give them a shilling each, there will be nothing left; surely the master might retort, Go, and do as you are directed: I did not mean there should be any thing left, either for my use or your own.

No attempt was made to refute the accuracy of the estimate of the profits of the year ending 27th February 1798, which, though a very bad year for the Company, would have yielded a dividend of about 11 per cent.

The Directors' very able and learned Counsel was called upon to controvert the opinion of Mr. Mansfield; but though no man in the profession is possessed of more abilities, I do not think he did it to the satisfaction of the Court. But the best way would be to have the learned Counsel's opinion written and signed, upon the same case, upon which an opinion written and signed has been given, that they may be compared. He also entered upon the subject of the printed letter; but I believe he found that he had not sufficient ground to build a solid argument upon, and he had not been used to contend against unequivocal Acts of Parliament. He wandered from the question before the Court, was called to order, and sat down.

It was hinted from the Directors' side of the House, that the time of peace would be the fittest for proposing an increase of dividend. No time can be better than the present for doing justice. The principles of justice are immutable; they are independent of time, place or circumstance; they do not admit of temporizing: the voice of justice at all times incessantly exclaims, *suum cuique tribuatur*: Give every one his own. Justice is to be tempered with mercy: here injustice is tempered with cruelty. The necessities of the Proprietors demand that they should have what is their due, to enable them to support the burdens to which they are subjected by an expensive war; but they are told to wait for peace; that will be the proper time to consider whether they are to have justice or not. In the mean time, if they are in want, they may dispose of their property in the Bank for what it will bring; and those who buy it, if they are able to keep it till the peace, will receive that share of the benefit which their stock has produced. Oppression, it is said, will make a wise man mad;—which implies, that none but fools will bear it with patience, and without resistance.

At

At this Court, the Governor declared, that it was the opinion of the Court of Directors, that the dividend for the half-year ending the 5th April, 1801, should be $3\frac{1}{2}$ per cent. but that they were also of opinion, that, in addition thereto, a participation might be made of £582,120 in Navy 5 per cent. Annuities, part of a larger sum*, standing in the name of the Governor and Company of the Bank of England, among the present Proprietors of Bank-Stock, *pro rata*, according to their respective interests. This declaration, as it was very much unexpected, was very agreeable to the Proprietors: it was a bonus of £5 upon every £100 of their stock in addition to the half-year's dividend of $3\frac{1}{2}$ per cent.

Many of the Proprietors, who had come down to support the motion I intended to make for a dividend at the rate of 10 per cent. per ann. joined with me in opinion, that it was *then* unnecessary to make it; and that the motion for an increase of dividend might be reserved till a future occasion.

As there is a sort of timidity in a certain class of Proprietors†, in opposing the opinions of the Court of Directors in open Court, and as the question for an increase of dividend might have been negatived; a demand for determining the question by ballot was signed by thirteen considerable Proprietors then in Court, and was ready to have been presented.

Some of the principal Proprietors have agreed, that a demand for the production of accounts, and of a dividend of the whole profits, according to law, shall be made either at the General Court in September next, or at that which the Charter directs shall be held in March next; and if such demand should be unexpectedly negatived, to take such measures as may be most expedient for establishing and confirming the Proprietors in their just rights;

* The 5 per cent. Navy Annuities, standing in the name of the Governor and Company of the Bank of England, 27th February 1797, were - - - - - £795,800
 From which deduct the abovementioned participation of - - - - - 582,120

Remain £213,680

† When a Proprietor is so outrageously virtuous as to vote against his own interest, against a production of accounts, and against that increase of dividend which he has a right to, the Court of Directors may safely say of him; That man has an infamous opinion of us: he thinks that as we have the power, we have also the inclination to injure him.—“Let no such man be trusted.”

and as this is the common interest of all the Proprietors, it is to be hoped they will give their cordial co-operation.

It is the *first* and almost *only* duty of the Court of Directors * to promote the interest of the Proprietors by all lawful ways and means.

The Court of Directors have been misled by the example of their predecessors, whose devious paths they have followed, instead of the plain and straight road pointed out to them by the Charter and the Acts of Parliament relative to the Bank of England, which ought to have been their only guides.

The wisest of men will fall into error; but when they have discovered that they have done so, it is not an instance of wisdom, or of magnanimity, to persist in it.

It will be becoming the characters of Gentlemen intrusted with the administration of the affairs of this great Company, after they have maturely and dispassionately considered the rules laid down to them by the Legislature for their conduct, to take the first opportunity of making a liberal, open and manly declaration, that they will act in conformity to them.

It will be highly gratifying to the Proprietors, to have their rights restored to them by the spontaneous accord of the Court of Directors.

But should they unfortunately be disappointed in this expectation, there is a *sure*, but *unpleasant* remedy † prescribed by two gentlemen, very eminent in their profession, but which ought only to be the last resource—an application to the Court of King's-Bench. When every other means have

* See Appendix to First Address, page 103 Oath of Governor,
104 — of Deputy Governor,
105 — of Directors,
106 — of Proprietors.

The last is, “ I, A. B. do swear that I will be faithful to the Company of the Bank of England, whereof
“ I am a Member; and in all General Courts, when and as often as I shall be present, will, according
“ to the best of my Skill and Understanding, give my Advice, Counsel, and Assistance, for the Support
“ and good Government of the said Corporation.”

Which Oaths Nine of the Proprietors may exact at any General Court, or at any Election of Governor, Deputy Governor, or Directors.

† See First Address, page 30.

See also Mr. Mansfield's Opinion, Appendix to Second Address, N^o. III.

been tried, and have been found ineffectual, that should, and will be, resorted to.

I am fully aware that a good cause may be injured by a bad advocate, and I am truly sensible of my own defects. In glancing my eye over the foregoing sheets, I perceive a redundancy and plenitude of words, which might have been spared, with a want of proper order and connection; but neither my health nor my time will permit me to make corrections. Besides, I am of opinion, that it is better to be prolix than to be obscure; and that the genuine dictates of the mind as they present themselves, on a subject like the present, may be better than a more studied and methodical arrangement of them.

I am your most obedient humble servant,

ALEXANDER ALLARDYCE,

One of the Proprietors of the Bank of England.

been asked and have been found inefficient, that should and will be
forced on.
I am fully aware that a good cause may be injured by a bad advocate, and
I am fully sensible of my own defects. In presenting my case, I have
gone through a tedious and painful process of self-examination, and
I have been able to find a great deal of truth in the charges which
have been made against me. I have been able to find out my own
weaknesses, and I have been able to find out the causes of my
failures. I am fully sensible that it is better to be plain than to be
obscure, and I am fully sensible that the general interest of the
cause may be better than a more polished and more brilliant
mode of expression.

ALEXANDER ALLAN

A P P E N D I X.

No. I.

To the Proprietors of Bank of England Stock.

Monday, March 16, 1801.

THE Court of Directors having given notice, in the Gazette of the 14th, that a General Court will be held at the Bank, on Thursday the 19th Instant, at 11 o'clock in the forenoon, to consider of a Dividend, for the half-year, from the 10th October, 1800, to the 5th April, 1801, I think it proper to submit the following observations for your consideration, before the meeting of the Court, at which a full attendance of Proprietors is earnestly to be desired.

It is enacted, "That *all* the profit, benefit, and advantage, from *time to time*, arising out of the management of the said Corporation, shall be applied to the uses of all the Members of the said Corporation of the Governor and Company of the Bank of England, rateably and in proportion to each Member's share and interest in the common and principal Stock of the said Governor and Company."

"The Directors are required and enjoined, from and after the 25th March, 1698, to make such Dividends, *once in each six calendar months*, AT LEAST, unto the Members of the said Corporation, according to their respective shares and interests in the said capital Stock."

It is enacted, "That *all* the profits, benefits, and advantage, from time to time, arising out of the management of the said Corporation, shall (the charges of managing the business of the said Governor and Company *only* excepted) be applied, from time to time, to the uses of all the Members of the Corporation, *for the time being*, rateably and in proportion to each Member's share of the capital Stock."

1697.
8 Will. III.
Chap. 20.

1697.
9 Will. III.
Chap. 3.

1708.
7 Anne,
Chap. 7.
Section 63.

From

From a general view of all the Acts respecting the Bank, and its management, it seems clear that the Capital cannot be encreased, but by the authority of Parliament.

By the Charter, "The General Courts are empowered to make Bye-Laws for, and relating to the affairs of, the Company, so they be not repugnant to the laws of the kingdom."

Bye-Law 12. Ordains, "That, twice in every year, a General Court shall be called and held, for considering the general state and condition of the Company, and for making of Dividends, out of all and singular the produce and profit of the capital Stock and Fund of this Corporation, and the Trade thereof, among the several Owners and Proprietors therein, according to their several shares and proportions."

This Bye-Law, if properly observed, would enable the Proprietors not only to consider the state and condition of the Corporation, but also to determine what ought to be the half-yearly Dividend. A general account of the state and condition of the Company, with an account of the profits, and an account of the charges of management for the preceding half-year, ought to be before them, from which alone they can properly determine what the *quantum* of the Dividend should be; as the Law expressly directs that a Dividend shall be made of *all* the profits, the charges of management *only* deducted.

For a long time, however, this Bye-Law has been a dead letter. All that generally passes at the Courts, called for considering and declaring Dividends, is, that the Governor declares the Directors are of opinion, that the Dividend should be *so much*, and desiring the Proprietors to signify their assent or dissent: the Dividend is declared without any production of accounts; and the opinions and conceits of the Directors, that only a *part* of the profits ought to be divided, are adopted in contradiction to positive Acts of Parliament, which direct that the *whole* of the profits shall be divided among the Proprietors *for the time being*. By this means you receive a Dividend of only 7 *per cent. per ann.* when it is probable you are entitled to a Dividend of more than 10 *per cent. per ann.*

For what is this undivided part of the profit reserved?—It must be either to create an encreased Capital, which cannot lawfully be encreased, without the authority of Parliament, or being the property of the Proprietors *for the time being*, it is retained to augment the Dividends of those who may be Proprietors *in time coming*, who cannot have the least particle of right to it. It

It is the duty of the Court of Directors to lay before the General Court such documents as will enable them to declare a Dividend of the *whole* profits; if the Directors refuse to do it, there are the means of compelling them to do it.

The law directs that General Courts of the Proprietors shall be held for the declaring and making Dividends, which Dividends, it directs, shall be of *all* the profits from *time to time* arising from the management of the Company, among the Partners *for the time being*, at least twice a year.

If the General Courts do not obey the law, the law will compel them to obey it.

It becomes me to shew that the directions of the acts respecting Dividends have not been obeyed.

The disaster to the Company in the beginning of 1797, produced investigations by Committees of the two Houses of Parliament into its concerns, the result of which was, in respect to its funds, that, after the payment of all its debts, there was a surplus of £3,826,890, besides the permanent debt of Government of £11,686,800. It is conceived that the whole of this surplus is in the nature of an increased capital, without the authority of Parliament; but that it ought to have been divided, from time to time, as it arose, among the Proprietors for the time being.

I will now endeavour to prove that the General Court to be held on Thursday the 19th Instant, may safely declare a considerable increase of Dividend, even if the Directors should refuse a production of accounts.

From the publication of a Proprietor, who has taken some pains to investigate the concerns, and to throw light upon the affairs, of the Bank of England, I observe, that by a Report of the Secret Committee of the House of Commons, it appeared that the surplus profits of the Bank (exclusive of the permanent debt due from Government of £11,686,800, bearing

interest

interest at three per cent.) were, February 27, 1797 - - - £ 3,826,890
 And by a subsequent Report, that they were, Nov. 11, 1797 3,839,550

Making an increase of - - - - - 12,660

But it is to be observed, that in the intermediate time,
 between February the 27th and November the 11th,
 being exactly eight months and a half, two half
 yearly Dividends had been paid, viz.

April 5th, 1797, six months Dividend on the
 capital of 11,642,400l. at the rate of seven
 per cent. per ann. - - - - - £ 407,484
 October 10, 1797, six months Dividend - - 407,484 — 814,968

£ 827,628

So that twelve months Dividends had been paid out of eight months and a
 half's profits, leaving a balance of £12,660, and these appear to be *net* profits;
 for the Bank accounts being made up in March and September, it is to be
 supposed that a year's expence of management, expence of building, and all
 other expences, must have been charged at these times.

From these data it may be possible to form a pretty accurate estimate of the
 profits of the Bank for the year between February 27th, 1797, and February
 27th, 1798.

The net profits between February 27th, 1797, and November 11th,
 1797, being eight months and a half, were - - - - - £ 827,628

But part of this was a half-yearly dividend, re-

ceived July 5th, 1797, from Government,

on £ 11,686,800, at three per cent. per ann. £ 175,302

And for house expences - - - - - 2,000 — 177,302

Profits produced in eight months and a half, by discounts, interest,
 management of public debt, &c. - - - - - 650,326

Profits of eight months and a half - - - - - £ 827,628

January

January 5th, 1798, another half-yearly dividend paid by Government - - - - -	£ 177,302
February 27th, 1798, computing the profits on discount, &c. since November 11th, being three months and a half, at the same rate and proportion as the preceding eight months and a half, they will be - - -	£ 267,780
Profits of three months and a half - - - - -	445,082
Net profit of the year ending 27th February, 1798 - - -	£ 1,272,710
Which would have admitted of a dividend of ten per cent. on the capital of £ 11,642,400 - - - - -	1,164,240
And left a balance of - - - - -	£ 108,470

If this last sum were included, it would have admitted of a dividend of £ 10 : 18 per cent.

And it is to be remarked, that the year 1797 was one of the worst the Bank has had for many years: their discounts were unusually narrow: the amount of their notes in circulation February 27th, 1797, was £ 8,640,250, it is *now* above £ 16,000,000*; their allowance for the management of the public debt created *since* the 27th February, 1797, must be upwards of £ 90,000 per annum.

If, from the foregoing statements, you are of opinion, that you ought to derive more extensive benefits than you do at present from your shares of Bank Stock, you will come forward, and give your support at the General Court, on Thursday next, to a motion for a considerable increase of Dividend.

I am your most obedient Servant,

A PROPRIETOR OF BANK STOCK.

N. B. If the Proprietors at the General Court declare a Dividend at the rate of ten per cent. per annum, it will be an addition to your income for this year of £ 3 on every £ 100, or £ 30 upon every £ 1000 of your shares in Bank Stock; but if, in addition to this, they vote a dividend of the surplus profits before 1797, and the accumulations since, which it is their *right* and their *duty* to do, it will make an addition to your incomes for this year of £ 50 upon every £ 100, or £ 500 upon every £ 1000 of your shares in Bank Stock.

* Vide Appendix, No. VIII.

* * This letter brought down to the General Court a very full attendance of Proprietors; and a participation of £582,120 in 5 per cent. Navy Perpetual Annuities was voted to be made among the Proprietors *pro rata*, according to their respective shares of Bank Stock, being a bonus or dividend of £5 upon every £100 of Bank Stock, in addition to the dividend of $3\frac{1}{2}$ per cent. for the half year ending the 5th April 1801.

No. II.

London, 17th March 1801.

GENTLEMEN,

WE the Subscribers, each of us having Five Hundred Pounds or more Interest or Share in the Capital Stock of the Bank of England, do hereby give you Notice, that at the next General Court which shall be held "for considering the general State and Condition of the Corporation of the Bank of England, and for making Dividends out of all and singular "the Produce and Profit of the Capital Stock," We or one of us shall demand, That there be laid before the Court, "An Account of the General State and Condition of the Company, with an Account of the Income and Charges of Management for the Half-year immediately preceding the Day of holding the said Court, for the purpose of taking the same into Consideration; and that a Motion will be made, That a Dividend of *all* the Profits, Benefits, and Advantages, arising out of the Management of the said Corporation for the said Half-year (the Charges of managing the Business of the said Governor and Company *only* excepted) shall be made to and for the Use of all the Members of the said Corporation for the Time being, rateably and in Proportion to each Member's Share and Interest in the common and principal Stock of the Governor and Company of the Bank of England; as required by the Statute of the 7th Year of Queen Anne, Chapter 7th.

Signed by several considerable PROPRIETORS;
Three of them holding upwards of £120,000 Bank Stock.

Governor, Deputy Governor, and Directors
of the Bank of England.

* * Delivered to the Deputy-Governor at the Bank, Tuesday, the 17th March, 1801.

No. III.

CASE relative to the BANK of ENGLAND, submitted to
JAMES MANSFIELD, Esq.

HEREWITH is laid before you a Copy of the Charter of the Corporation of the Governor and Company of the Bank of England; Copy of the Orders, Rules, and Bye-laws of the Bank; and Extracts from Acts of Parliament relative to the Bank of England; and which are contained in a Publication of Alexander Allardyce, Esq. on the Affairs of the Bank; the Copy of the Charter commencing at Page 90, and the Extracts of the Acts ending at Page 128.

THE Bank was authorised to encrease its Capital from £1,200,000 to £2,201,171 : 10 by new Subscriptions: and by the 21st Section of this Act it was enacted, "That before the 24th of July, 1697, an Account of all the Stock and Funds of the Corporation should be taken; and if it did not amount to £1,200,000, the old Subscribers should make up the Deficiency; but if there was a Surplus, the same was to be divided among the old Members, according and in Proportion to their respective Interests at the Time." And by the 33d Section it is also enacted, "That after compleating the new Subscription, *all* the Right, Benefit and Advantage from Time to Time arising out of the Management of the Corporation, should be applied to the Uses of all the Members, in Proportion to their Shares in the Capital and Joint Stock."

1697.
3 Will. III.
Chap. 20.

By the 12th Bye-Law of the Corporation it is ordained, "That Twice in every Year a General Court shall be called, and held for considering the general State and Condition of the Corporation, and for the making of Dividends out of all and singular the Produce and Profits of the capital Stock and Fund of the Corporation, and the Trade thereof, among the several Owners and Proprietors therein, according to their several Shares and Proportions: One of the said Courts to be held between the 10th and 25th of September, and the other between the 10th and 25th of March yearly."

The Capital of the Bank enlarged by Subscription to £4,402,343.

1708.
7 Anne,
Chap. 7.

By the 63d Section of this Act, it was enacted, "That all the Profits, Benefits and Advantages from Time to Time arising out of the Management of the said Corporation, shall (the Charges of managing the Business of the said Governor and Company only excepted) be applied from Time to Time to the Uses of all the Members of the said Corporation for the Time being, rateably and in Proportion to each Member's Part, Share and Interest in the common Capital and principal Stock of the said Governor and Company of the Bank of England."

By the 65th Section of the Act, the Bank are allowed to decrease even their Capital increased Stock, by dividing it among the Members rateably; but in such Case, if their Stock is decreased so as not to leave a sufficient Fund to pay their Debts, the individual Members and their Estates are made liable to such Debts, in so far as their respective Shares of such Dividend will extend.

By the 72d Section it is provided, "That the Bank shall have a Right to call on its Members for Payment of any Money which they may before have divided of the capital Stock."

From the general View of all the Acts respecting the Bank and its Management, it seems clear that the Capital cannot be increased but by Authority of Parliament.

It also appears from the Clauses of the Acts herein before stated, that the Bank must divide from Time to Time, *all* the Profits and Emoluments of every Kind, and that it *may* divide the increased Capital. The first of these seems an absolute Duty not to be dispensed with; the latter a matter of Discretion.

The present Capital of the Bank, on which the Dividends are made and calculated, is £11,642,400; the permanent Debt from Government being £11,686,800. The Dividends at present are 7 per cent. on the Capital.

The 12th Bye-Law of the Corporation, if duly observed, would enable the Proprietors to determine what ought to be the half-yearly Dividend; for the

the general State and Condition of the Corporation can only be properly considered, by the Proprietors present having the Accounts of the preceding Half-year before them; and from which only they could properly determine what the Quantum of the Dividend should be. For a very long Time, however, this Bye-Law has been a dead Letter. All that generally passes at the Courts called for declaring Dividends, is, that the Governor declares the Directors are of Opinion, that the Dividend should be so *much*, and desires that the Proprietors would signify their Assent or Dissent: no Opposition is made, and the Dividend is declared without any Production of the Accounts.

Previous to the Month of February 1797, the State and Condition of the Bank was a perfect Riddle and Enigma to every Proprietor, except the Court of Directors; it was generally, however, supposed to be immensely rich.

The Disaster to the Corporation in the beginning of 1797, produced Investigations by Committees of the two Houses of Parliament into its Concerns; the result of which was, in Respect to its Funds, that, after Payment of all its Debts, there was a Surplus of near Four Millions of Money beyond the permanent Debt of Government, £11,686,800, payable only at the Expiration of the Charter. It is conceived that the Whole of this Surplus is in the Nature of an increased Capital without the Authority of Parliament; but that it should have been divided from Time to Time as it arose among the Proprietors; and this unquestionably would have been the Case, had the Accounts been laid before the General Meetings, and they had seen Balances of Hundreds of Thousands in Favor of the Company, beyond their Expences and their usual Dividends.

Since February 1797, the annual Profits of the Bank are greatly increased by the vast Increase of the National Debt; for the Management of which, they are paid at the Rate of £450 per Million; by the vast Increase of their Notes; and from various other Causes; so that there cannot be a Doubt, that if the Accounts were produced to the Meetings, it would appear, the Dividend might be safely increased to 10 per Cent. and still a very large Surplus be left, after allowing for any Expence and Contingency. On the 27th of February 1797, the Notes in Circulation were under Nine Millions; the Amount now is between Sixteen and Seventeen Millions.

Several

Several Proprietors, who are interested to a very large Amount, are now determined to insist upon the Production of the Accounts, if they can legally do it, as the only Means by which a Judgment can be formed by the Proprietors at the Meetings of what the Dividends ought to be.

YOUR OPINION is therefore requested, whether any Proprietor of Bank-Stock may not, at any General Court called for considering the General State and Condition of the Corporation, and for making and declaring the Dividends, demand of the Directors, that Accounts and Documents be produced, from which such general State and Condition may be judged of; and whether he may insist upon this not as being a Motion to be disposed of by putting it to the Vote, as if it was a Question proposed, but as of Right; and if there is such Right, and the Production of the Account and Documents are refused, what Remedy has the Proprietor, and how is it to be pursued?

Mr.

Mr. MANSFIELD'S ANSWER.

I am of Opinion, that *every* Proprietor, at a general half-yearly Court, has a *Right* to require from the Directors, and it is the *Duty* of the latter to produce, all such Accounts, Books and Papers, as are necessary to enable the Proprietors to judge of the State and Condition of the Corporation and its Funds, and to determine what Dividend ought to be paid. The proper Method to be pursued by those who consult me in Order to obtain such a Production, is, that a Number of respectable Proprietors should immediately give Notice to the Governor and other Directors, that they shall require at the next General Court, a Production of all the necessary Books, Accounts and Papers, and at the General Court, when it shall be held, to attend and require such a Production. If it shall not be obtained, I then advise them immediately, or within a few Days after the holding of the General Court, to make an Application to the Governor to call a General Court, which Application must be made by Nine Members at least, having each £500 Stock. If the Governor shall refuse to call such General Court, then the Nine Members who shall have applied to him to have a Court called, may themselves call one in the Manner prescribed by the Charter; and whether the Governor calls such Court, or it is called by the Nine Members, I advise them, as soon as it is called, to apply to the Court of King's Bench for a Mandamus to the Governor and Directors, to produce at such Court all the necessary Books, Accounts and Papers.

J. MANSFIELD.

Temple, March 9, 1801.

No.

No. IV.

*BANK GENERAL COURT,**Thursday, 19th March, 1801.*

I Demand that an Account of the General State and Condition of the Company, an Account of the Income or Profits for the Half-year immediately preceding the Day of holding this Court, with an Account of the Charges of Management for the said Half-year, be laid before the Court, for the Purpose of enabling the Court to consider the State and Condition of the Company, and to declare a Dividend of all the Profits, the Charges of Management only excepted, as the Law directs.

ALEXANDER ALLARDYCE,

Proprietor of more than Five Hundred Pounds
Bank-Stock.

* * * This Demand was delivered in the General Court, in writing, to the Governor of the Bank, and stands recorded on the Minutes of the Court.

No.

No. V.

Extract from the Report of the Select Committee of the House of Commons, appointed to inquire into the Circumstances of the late Loan.

(Ordered to be printed 9th February, 1796.)

(Referred to page 10.)

JAMES MORGAN, Esq. called in and examined.

Question 1. Did you offer yourself to contract for the late Loan?

A. Yes.

63. Was the condition that your Subscribers should not be in any other List general?

A. No—not completely general.

[A printed paper was shewn to the witness, and read as follows:

“ Sir,

“ I desire to subscribe in the List you are forming for the
“ intended Loan Thousand Pounds Omnium; and I
“ promise and engage to make the Deposit, and not to have
“ any concern or interest, directly or indirectly, in any
“ other List: and no person shall have any part or interest
“ in my subscription, but on the same conditions to be de-
“ clared and observed.”]

65. Will you mention what description of persons they were whom you exempted from this condition?

A. They were of two descriptions; such as the Bank Directors, on the one hand, and gentlemen that I supposed and knew, from their character, knowing my conditions, would not offer themselves to be in my List, if they were in any other.

70. Did you expressly offer to any gentlemen, that they should be Subscribers, without being bound to the conditions in the printed paper?

E

A. None,

A. None, that I recollect. I do not recollect one; but where I thought it unnecessary, I never mentioned it. But I wish always to be understood, that I never required or expected it from the Bank Directors.

132. The Governor of the Bank having told you that you would be tricked, did he explain to you how you would be tricked?

A. No otherways, than that he had doubts about the competition: and it appeared to me that he thought the Loan would be given to Mr. Boyd.

209. Had the Governor of the Bank seen your List, and approved of it as competent?

A. He had.

361. You have said, that the proportions of the different Subscribers were allotted to them in consequence of their most earnest solicitations; is that meant with regard to the Subscribers both as to the last Loan and the present?

A. Yes.

362. When did the Governor of the Bank, whose name appears in your List, solicit to be put down for a share?

A. I don't recollect exactly, but I suppose it must have been some time in October.

363. When did you inform him of the share which you intended to grant him?

A. I don't recollect exactly.

364. Had you any conversation with the Governor of the Bank, on the subject of the share he was to have in your List?

A. Yes. I certainly did say to him, some time in the month of October, when I met him accidentally in the street, that it would give me great pleasure to accommodate him as far as it should be in my power.

WILLIAM MELLISH, Esq. called in and examined.

446. Can you recollect whether you ever received any intimation from the Governor of the Bank on this subject, namely, that the Loan would or would not be by competition?

A. Being

A. Being intimate with the Governor, I certainly had different conversations with him; and think I may safely say, I have heard his doubts one way or the other.

DANIEL GILES, Esq. (Governor of the Bank) called in and examined.

466. Had you any conversations with Mr. Morgan in October and November last, on the subject of the expected Loan?

A. As to the time, I can't exactly speak; but I think it was in November, Mr. Morgan called upon me at the Bank, and told me, he had an intention of making a List; and if I would be upon it, and my friends, he would be very glad to have my name. He then stated, that in the formation of his List, he should subject every Subscriber to the signing of a letter, that they should not be in any other List but his. I told him, that if that was the case, I could not be in his List; for I had already engaged with the other two parties to be upon their Lists. He said he would exempt me and my friends from signing such letter.

Mr. Morgan afterwards came, and told me, if the Loan should be for seventeen millions, I might take as far as £150,000; and if for eighteen millions, £35,000 more; to which I assented, but not for myself.

467. Did you, in any of these conversations, give him any information respecting the manner in which (as you understood) the Chancellor of the Exchequer meant to settle the Loan; that is, by open competition, or otherwise?

A. I could not do it when this matter was first talked of, because I did not know it; but I did afterwards, I believe, on the 22d or 23d of November, tell him, that it was to be by competition, and we were to go up on Wednesday.

468. Did you at any time express to Mr. Morgan your opinion, that the Loan would not be settled by competition, but that it would be given to Messrs. Boyds?

A. Certainly not in such words as those. I confess that I did, in private confidential conversation, which I apprehend, with deference, no gentleman could deem himself justified in divulging, tell him that I had my suspicions that Mr. Boyd's party would or might have the preference.

481. Were the friends on your List all Directors of the Bank?

A. No; about one half were not.

517. Did you, in point of fact, solicit to be on Mr. Boyd's List?

A. Certainly I did by letter; but I was more in Mr. Morgan's List than upon any of the other two.

522. Had you any knowledge of the negociation of the Loan for the service of the year 1796?

A. Yes; I was present officially as Deputy Governor of the Bank.

530. Have you not uniformly professed your opinion, that the terms of a loan ought always to be made greatly in favour of the Subscribers?

A. No, not greatly. I think it always ought to be in their favour.

551. Has the sum allotted to be divided between the Governor and Deputy-Governor* of the Bank of England been always the same as the present?

A. For the three or four last Loans they have been the same. About three or four years ago, a sum of £50,000 each was given to them by the Contractors, independent of their share of what is given to the Bank, and that has been continued ever since.

552. Are you in your private capacity a Subscriber to the present Loan, and for what sum, and in what List?

* These are the Chancellor of the Exchequer's advisers on the negociation of a Loan. They may be very able, but they are not disinterested* advisers; nor sometimes very confidential† advisers; but HE did not stand in need of *their* advice.

* See Answers to Questions 364, 466, 481, 517, 530, 551, 554.

† See Answers to Questions 132, 446, 468.

A. I believe £255,000.

553. Is that whole sum for yourself?

A. No.

554. What part is for yourself?

A. £240,000; not more*.

Bank of England, Dec. 17, 1795.

Extract from the List of Subscribers to the Loan of the present year, (for the service of the year 1796.)

Governor and Deputy-Governor of the Bank	- - - -	£100,000
Governor, Deputy-Governor, and Directors of the Bank	-	400,000
Cashier of the Bank, for himself and office	- - - -	100,000

Then follows a List of the Contractors and the Subscribers, in their different Lists, with the sums of their respective subscriptions, amounting, with the above, to 18 millions.

* I understand the profits upon this Loan were upon an average not less than 10 per cent. without much advance of money; for, after payment of the first and second instalment, the Bank advanced all the rest, but the last; therefore by the sum which this Gentleman held in his private capacity, £240,000, and what he held as Governor of the Bank, £50,000, and what he held as Governor of the Bank in common with the Governor, Deputy-Governor and Directors, a pretty handsome fortune must have been acquired in this year of his Governorship---out of all proportion to what he would get by his small salary of £200, and the produce of his small share in Bank-Stock.---But it would have been for his interest that Mr. Morgan should have had the Loan, for his subscription upon his list was more than upon any of the other two. See answer to question 517.

The Court of Directors have a great power over Loans: by refusing to pay up the other instalments after the Subscribers have paid up the first and second, which they usually do pay, they may make what would have been a very profitable Loan a very unprofitable one to the Subscribers; for in that case a great value of Scrip must be brought to market, which would reduce the price of Omnium.

There is one instance when they refused to make the payments of the different instalments, after the first and second. It was in Mr. Fox's short administration; and some thought it was with a view to shake that administration; but the Directors have disclaimed that motive. If ever they allow the Bank to be made a political engine, for any purpose whatsoever, they will be highly censurable.

No.

No. VI.

Bank of England, December, 1796.

Extract from a List of the Names and Sums subscribed to the Loan for raising the Sum of £18,000,000 for the Service of the Year 1797. Ordered to be printed the 1st of June, 1797.

(Referred to page 10.)

* The Governor and Company of the Bank of England	-	£1,000,000
The Governor of the Bank of England	- - - - -	£20,000
The Deputy Governor of ditto	- - - - -	20,000
7 Directors £20,000 each	- - - - -	140,000
23 Directors £10,000 each	- - - - -	230,000
30 Directors!		£410,000

I do not think it proper *needlessly* to print the Names.

Then follows a List of the other Subscribers.

It is observable that there are Thirty Directors Subscribers, though there are only Four-and-Twenty actually in the Direction. But once a Director and always a Director. This Loan was not so profitable to the Subscribers as the last, though they received £112 10s. 5 per cent. per ann. for every £100 subscribed, yielding an Annuity of £5 12s. 6d. per cent. and their Stock would sell now to considerable Advantage. And you will observe, that the Governor and Deputy Governor did not take their usual Share of this Loan, though they had it in their option, it being an open Loan.

* Stock is not one of the enumerated Articles in which it is lawful for the Governor and Company of the Bank of England to deal, and therefore this Subscription was contrary to Law:† But it seems to be a maxim at the Bank, that an Act of the General Court can alter, amend, suspend or repeal an Act of Parliament.

† See Act 5, William and Mary, chap. 20.

No. VII.

(Referred to page 11.)

Return to an Order of the Honourable House of Commons, for an ACCOUNT of the Value of all EXPORTS from Great Britain, for Three Years, ended the 5th of April, 1801; distinguishing each Quarter, and the Value of British Produce and Manufactures from the Value of Foreign Articles Exported.

	British Manufactures.			Foreign Articles.			Total.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
Year ended } 5 Jan. 1799	19,672,503	0	9	13,919,274	13	11	33,591,777	14	8
- - 1800	24,084,213	0	10	11,907,116	3	11	35,991,329	4	9
- - 1801	24,411,067	12	8	17,166,145	11	3	41,577,213	3	11

Inspector General's Office,
Custom House, London,
April 15th, 1801.

Note.—The Books of the Inspector General's Office being made up from the 5th of January to the 5th of January of each succeeding Year, this Account cannot therefore be stated in the Periods required by the above Order.

WILLIAM IRVING,

Inspector General of the Imports and
Exports of Great Britain.

	Total.
Year ended the 5th of January, 1797	£28,917,000 0 0
- - - - - 1798	33,991,392 0 0

See, “An Account of the Value of the Imports into and Exports from Great Britain for Twenty Years preceding the 5th of January, 1797, distinguishing each Year.” Appendix to First Address, page 64, from which its very great and progressive encrease may be seen.

No. VIII.

No. VIII.

(Referred to page 12.)

An Account of the AMOUNT of BANK of ENGLAND
NOTES in Circulation, on an Average of every Month
from the 25th October, 1800; distinguishing the
Amount of Notes below the Value of Five Pounds.

AMOUNT OF BANK OF ENGLAND NOTES.

	<i>Notes of £5 each and upwards.</i>	<i>£2 and £1</i>	<i>Total.</i>
From 25 Oct. to 25 Nov. 1800	£13,816,700	£2,061,700	£15,878,400
25 Nov. to 25 Dec. 1800	13,133,500	2,148,700	15,282,200
25 Dec. to 25 Jan. 1801	13,845,800	2,519,400	16,365,200

WILLIAM WALTON,
Acc^t. Gen^l.

Bank of England,
6th February, 1801.

No. IX.

No. IX.

An Account of the AMOUNT of MONEY advanced for the PUBLIC SERVICE by the BANK of ENGLAND, and Outstanding on the 5th April 1801; with the Amount of INTEREST due on the same.

(Referred to page 12.)

			ADVANCES.			INTEREST DUE.		
			£.	s.	d.			
On Malt Duty - -	1799 - - -	498,000	—	—	—	}	£.	s.
Do. - - - - -	1800 - - -	750,000	—	—	—			
Do. - - - - -	1801 - - -	750,000	—	—	—			
Personal Estates, &c.	1801 - - -	2,000,000	—	—	—	- -	95,477	18
Supply - - - - -	1800 - - -	3,000,000	—	—	—	- -	89,589	—
* Advanced, without Interest,								
for the Renewal of the								
Bank Charter - - - -			3,000,000					
			<hr/>					
			£ 9,998,000			— —		
Exchr Bills, without Interest	- -	376,739	—	9				
			<hr/>					
			£ 10,374,739			-	£ 185,066	18
								11

Bank of England,
4th May 1801.

A. NEWLAND.

Chief Cashier.

* The accounts returned by the Bank to the orders of the House of Commons, are extremely indistinct: It should have been here stated, when this money was advanced, and for what period.

F

The

The period was for six years, without interest: The prolongation of the Charter was for twenty-one years, from 1st August, 1812. The simple interest on three millions for six years, is £900,000.

Many are of opinion, that this was a very imprudent transaction on the part of the Bank. The Charter did not expire for twelve years; it did not expire then, till Government had redeemed from the Bank £11,642,400 3 per cent. stock at par, (which is now worth only about 60 per cent.) by payment in money or Bank notes; a greater sum than ever was made in one payment. In every Act of Parliament for raising money by loan, it is conditioned, that the interest shall be paid to the public creditor at the Bank of England; and that the Bank is to continue a Corporation for that purpose, till the principal is redeemed—which will not be in this century.

If the Charter of the Bank had been allowed to expire, and Government had returned to the Proprietors their capital of £11,642,600, who would have been so well prepared as the Proprietors of the present Bank, with such a sum of ready money in their hands, to have become partners in any new Bank which might have been proposed to have been established?

In short, there was no necessity, at the time, for a renewal of the Bank Charter upon disadvantageous terms.

It was difficult to discover in the House of Commons with whom the proposal had originated; the Chancellor of the Exchequer, or the Directors of the Bank: it seemed to have been a lucky thought, that had struck both parties at the same moment.

The Chancellor of the Exchequer declared, that he thought it a good bargain for the public.—He found little difficulty in persuading the Court of Directors that it was a good bargain for the Bank.

The Court of Directors, by their own misconduct*, in making too large advances to Government,

* I make no assertion without being able to support it by proof. See Report of Committee of Secrecy of the House of Commons, March 1797, in Appendix to First Address, page 1 to 84.

Examination of *Mr. Giles*, (Governor of the Bank,) *Mr. Raikes*, *Mr. Bosanquet*, and *Mr. Winthrop*, Directors.

Q. Since the minute of Council, has there at any time occurred to you, or does there now occur to you, any practicable measure, by the means of which the present restriction upon the issuing Cash from the Bank may, in your opinion, be safely removed?

Mr. Bosanquet. A. Nothing at present. The only thing that can tend to relieve the Bank, is a considerable repayment from Government.

Q. When hints were thrown out to the Chancellor of the Exchequer last year concerning the danger of drain of Cash on the Bank, was any suggestion made, on the part of the Bank, to obviate that danger?

Mr. Raikes.

Government, prior to the 27th of February 1797, had brought the Company to the necessity of suspending their payments in specie on that day.

These

Mr. Raikes. A. The general objects of our communications on that subject were, to be eased from the burthen of our advances to Government.

Q. Did you make any representations to the Chancellor of the Exchequer on the subject of the advances made to Government by the Bank?

Mr. Giles. A. Yes, very often.

Q. Are you of opinion that the repayment of those advances would have materially contributed to prevent the necessity of the measure adopted by the Privy Council on Sunday the 26th February?

A. Had the Government repaid us the advances which they owed, I believe we should have been in a state of security;—*and what has happened would not have happened.*

Q. Did you concur, as a Director of the Bank, in the representations made to Government on the subject of the Bank advances?

Mr. Winthrop. A. Certainly I did.—If Government had paid off a very considerable part of its debt to the Bank, it would in all probability have given us safety, and we should have had it more in our power to assist the mercantile interest, by extending our discounts, which being limited to paper at two months, may, at any time, be increased or diminished, without the danger which must necessarily attend a great extension of the Government debt; the timely payment of which, we know, cannot always be depended upon.

Mr. Giles. A. We should never be hurt by discounts, if we had no high advances to Government.

Q. Have you not always considered that an increase of active capital, employed either in agriculture, manufactures, inland navigation, and the whole detail of inland trade, and of imports and exports, would require an increase of Cash or Notes in circulation?

A. It is obvious it must be so.

Q. Do you conceive that every exertion has been made by the Bank to obtain repayment of the advances made to Government since the 1st January 1795?

A. Yes,—*save that of lending more*.*

Q. If the advances had been either paid off, or greatly diminished, at the periods you applied for such payments, do you think the necessity of the order of Council of the 26th February would have existed?

A. Had the advances to Government been considerably less, I do not think the order of Council would have been necessary.

* This is certainly a most extraordinary way of reducing a debt,—*lending more.* Had the Bank desisted from *lending more*, the Government debt, from the weekly payments into the Bank from the

These large advances they had made contrary to their own opinions, as will appear from thirty-six representations* which they had made to the Chancellor of the Exchequer on the subject, between the 15th June 1795, and the 24th February 1797.

They were aware of the consequences of these large advances for the public—they were aware that they had lent Government too much, yet they continued lending more—till they had no more to lend.

The earnest solicitations of the Chancellor of the Exchequer, and his fascinating powers of persuasion, they had not firmness enough to resist.

In another place I have endeavoured to prove, that the connection between† Government and the Bank is disadvantageous to both parties.

Under these circumstances—when the Company did not make payments in specie—when it did not perform the functions of a Bank—when it had been stigmatized—and laughed at—when it was lavish only in its splendid promises, to pay to Abraham Newland or the bearer on demand—a *piece of new paper for an old one*: At this time, the Bank agree to give more than eight times more for the renewal of its Charter, than it ever did‡ when the splendor and solid worth of the Bank of England excited the wonder, the admiration, and the envy of the whole world.

* See Appendix to First Address, page 18 to 47.

† See First Address, page 142.

‡ In 1763 the Bank pay into the Exchequer £110,000, and no repayment to be made of either principal or interest for the same, for a prolongation of their Charter for *Twenty-two* years, from the 1st August 1764, to 1st August 1786.

In 1781 Bank advance Two Millions for the Service of the year 1781; term of the Charter prolonged for *Twenty-six* years, from 1st August 1786, to 1st August 1812.

In 1800 the Bank advance *Three* Millions for *Six* years without interest, for a prolongation of their Charter for *Twenty-one* years, from 1st August 1812, to the 1st August 1833!—No obvious reasons appear for this difference.

the produce of the Land and Malt Taxes, and from Exchequer Bills coming regularly into course of payment, would have soon reduced itself into moderate compass.

But if the Court of Directors persist in their vain endeavours to render a feeble aid to Government, they may ruin the Bank, without giving any solid or essential assistance to the State.

Parliament is the only constitutional source from which the exigencies of the State can be provided for.

Making permanent advances to Government disorders the whole machinery of the Bank, and renders it incapable of performing its natural functions of dealing in discount of paper of two months, thereby furnishing an active capital for trade, commerce, and manufactures, by which Government will be more benefited than by partial advances to itself, which must sooner or later be repaid with interest.—See *Mr. Winthrop's* evidence above, page 43.

No.

No. X.

State of the National Debt*, for Eight Years, ending
5th January 1800.

(Referred to page 11.)

	Total Amount.
Year ending 5th January 1793 - -	£238,231,257
1794 - -	244,481,257
1795 - -	260,157,782
1796 - -	285,767,679
1797 - -	327,071,378
1798 - -	397,084,046
1799 - -	431,084,046
1800 - -	463,833,290

According to accounts presented to the House of Commons respecting the public Funded Debt of Great Britain, ordered to be printed the 17th April 1801.

The total principal Debt was 1st February 1801 - - - £479,934,488

But this does not include the Imperial Loans of £6,220,000, or Imperial Annuities for a term of years of £230,000, nor the Long and Short Annuities,

Nor the Loan for the service of the year 1801, being 28 Millions in the 3 per cent. Ann. at $175\frac{3}{4}$ per cent. about - 50,000,000

† £529,934,488

* Dr. Gilbert Burnet, Bishop of Sarum, was the author of the Funding System, which some have considered as a curse, and others as a blessing to the nation.

The exigencies of the State required larger sums than could easily be raised within the year; taxes were appropriated for payment of the interest of what was borrowed.

Political considerations, together with this national incapacity, made it prudent to link public stability with the interests of private property, and to borrow the fortunes of individuals upon the security of a newly established Government.

† For the management of the public Debt, the Bank receive £450 per million; and for taking in the Loan (which this year amounted to twenty-eight millions) £805 : 15 : 10 per million.

There

There is also a large amount of Unfunded Debt, and Demands outstanding on

Exchequer Bills

Treasury

Army

Barracks

Ordnance

Navy

Civil List Advances:

But the exact account is not known;—it is above Thirty Millions.

No. XI.

Extract from Woodfall's Parliamentary Debates.

*(Referred to pages 6 and 13.)**House of Commons, Monday, 23d March, 1801.*

On the Motion of *Mr. Nichols*, for leave to bring in a Bill to restrain the Bank of England from increasing their dividends during their suspension of payments in specie,

Mr. Allardyce opposed the Motion. He asked, whether the Honourable Member meant that Parliament should break its faith with the Proprietors of the Bank of England, or to punish them for what they could not help. The Proprietors, some of whom resided in Holland, Flanders, Switzerland, and Germany, were not accessary to the Bank's suspension of payments in specie.

The Bank had declared their willingness and ability to make their payments in specie, but were restrained by an Act of Parliament; and were they to be punished for obeying that Act? It was a wise and provident Act.—It was notorious, that the exchange between Hamburgh and this country was unfavourable to the latter; and that a guinea, which passed here for twenty-one shillings, was worth twenty-four shillings at Hamburgh. In these circumstances, if gold were issued from the Bank, it would be impossible to prevent it from being exported.—It might afterwards probably go to pay the armies of Bonaparte. The Honourable Member wants to force the Bank to do what is illegal.—If a dividend is not made of the whole profits, as the Act of the 7th of Queen Anne, chapter 7th, section 63, requires and directs, what remains would create an increase of capital, which cannot be increased without the authority of Parliament. It was under the sanction of Acts of Parliament, that dividends of the *whole* profits, the charges of management *only* excepted, should be secured to the Proprietors that they had become partners in the Bank.

The Bank had lately paid a very valuable consideration to the public for a renewal of their Charter, by which all their former rights, privileges and immunities were confirmed and secured to them.—Any infringement of that Charter would be a breach of faith in Parliament.

That

That the Bank had amassed so much surplus profits as amounted on the 27th February 1797 to £3,826,890, which by law they were not authorised to do, as they ought to have been divided from time to time as they arose among the Proprietors for the time being.

The Honourable Member wished the Bank to make still farther accumulations contrary to law, and to the rights of its Proprietors. The Honourable Member ought to consider the propriety of his motions, some of which had been on very grave and serious subjects, before he brought them forward. He wondered where he had got a Member to second this motion: he was certain he would not have many Members to divide with him for it, if he should be so unwise as to press for a division.

No Member in that House made more motions than the Honourable Gentleman;—he wished to know if ever he had carried one of them*.

Mr. Tierney did not support the motion; but said, that when the affairs of the Bank of England were investigated by the House of Commons in 1797, the surplus profits were considered by some as a security for the engagements of the Bank to the public.

Mr. Samuel Thornton, Governor of the Bank, assured the Honourable Member, that the security of the public would not be lessened from what it was in 1797 by the division of the sum of £582,120, voted at the General Court of the 19th instant, as, exclusive of that sum, the surplus profits of the Bank were more now than they were in 1797.

Mr. Allardyce said, that the whole capital of the Bank was subject to its engagements, which was of itself an ample security, without any reference to the surplus profits, which ought to be divided among the Proprietors.

The Motion was negatived without a division.

* Six Sessions in the House he daily toil'd;
In every plan—in every Motion foil'd.
At last, grave N——ls in a passion swore,
Move off I will—I'll move the House no more.

ANON.

No.

No. XII.

On the Duties and the Powers of the Governor, Deputy Governor, and Court of Directors of the BANK of ENGLAND, of the General Courts of Proprietors, and of the Proprietors individually; extracted from the Charter and the Acts of Parliament for the Establishment and Regulation of the BANK of ENGLAND.

THE COURT OF DIRECTORS

Are the acting Partners of the Company, chosen by the Proprietors from among themselves.

It is the Duty of the Court “ To the utmost of their Power, by all lawful
“ Ways and Means, to promote the Interest of the Company, (*i. e.* of the
“ Proprietors), to support and maintain the Body-politic or Fellowship of
“ the Governor and Company of the Bank of England, and the Liberties
“ and Privileges thereof, and faithfully and honestly to demean themselves
“ according to the best of their Skill and Understanding, to be indifferent
“ and equal to all manner of Persons.

“ And for the better ordering and managing the Affairs of the said Cor-
“ poration, the Governor, Deputy-Governor and Directors for the Time
“ being, or Thirteen or more of them, (of which the Governor or Deputy-
“ Governor to be always one,) are from Time to Time to meet for the dispatch
“ and Management of the Affairs and Business of the Corporation, and to hold
“ Courts of Directors for the Purposes aforesaid, and to summon General
“ Courts to meet as often as they see Cause.

“ And the said Governor, Deputy-Governor and Directors, or the
“ major Part of them, so assembled, shall act according to such Bye-Laws,
“ Constitutions, Orders, Rules and Directions, as shall from Time to Time
“ be made and given to them by the General Courts of the said Corporation.

G

“ And

“ And where such Bye-Laws and Directions, by or from the General
 “ Court, shall be wanting, the said Governor, Deputy-Governor and Di-
 “ rectors, or the major Part of them, so assembled, shall and may direct and
 “ manage all the Affairs and Business of the said Corporation; *or the borrow-*
 “ *ing and receiving of Monies, and in giving Security for the same; and in their*
 “ *dealing in Bills of Exchange, or the buying or selling of Bullion, Gold, or*
 “ *Silver; or in selling any Goods, Wares and Merchandise whatsoever, which*
 “ *shall really, and bona fide, be left or deposited with the said Corporation, for*
 “ *Money lent or advanced thereon, and which shall not be redeemed at the Time*
 “ *agreed on; or in selling such Goods as may be the produce of the Lands pur-*
 “ *chased by the said Corporation; or in lending or advancing any of the Monies*
 “ *of the said Corporation, and taking Pawns, or other Securities, for the same*;*
 “ and to choose and appoint the Agents or Servants, which shall from Time
 “ to Time be necessary to be employed in the Affairs and Business of the Cor-
 “ poration, and to allow and pay them reasonable Salaries and Allowances;
 “ and generally to act and do, in all Matters and Things whatsoever, what by
 “ the said recited Act of Parliament, is permitted or may be done.”

The Court of Directors have not the Power “ to purchase any Lands or
 “ Revenues belonging to the Crown, or to advance or lend to His Majesty
 “ any Sum or Sums of Money, by Loan or Anticipation on any Branch or
 “ Fund of the Revenue, other than such Fund or Branch on which a Credit
 “ of Loan is or shall be granted by Act of Parliament.”

It is the Duty of the Court of Directors to call General Courts of the
 Proprietors twice a Year, “ for considering the State and Condition of the
 “ Company, and for making Dividends of all the Profits.”

It is the Duty of the Court of Directors to lay before the General Court,
 all such Accounts and Papers as may enable the Court to judge of the
 Condition of the Company, and to declare the Dividend the Law directs.

It is the Duty of the Governor, Deputy-Governor and Court of Directors,
 if the General Court should refuse to make any Dividend, or should only
 declare a partial Dividend of the Profits, to have the Acts of Parliament re-

* In short, the dealings of the Company are restrained to discounting Bills of Exchange, to buying
 and selling Bullion and unredeemed Pledges.

No. XII.

On the Duties and the Powers of the Governor, Deputy Governor, and Court of Directors of the BANK of ENGLAND, of the General Courts of Proprietors, and of the Proprietors individually; extracted from the Charter and the Acts of Parliament for the Establishment and Regulation of the BANK of ENGLAND.

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Are the acting Partners of the Company, chosen by the Proprietors from among themselves.

It is the Duty of the Court “ To the utmost of their Power, by all lawful
“ Ways and Means, to promote the Interest of the Company, (*i. e.* of the
“ Proprietors), to support and maintain the Body-politic or Fellowship of
“ the Governor and Company of the Bank of England, and the Liberties
“ and Privileges thereof, and faithfully and honestly to demean themselves
“ according to the best of their Skill and Understanding, to be indifferent
“ and equal to all manner of Persons.

“ And for the better ordering and managing the Affairs of the said Cor-
“ poration, the Governor, Deputy-Governor and Directors for the Time
“ being, or Thirteen or more of them, (of which the Governor or Deputy-
“ Governor to be always one,) are from Time to Time to meet for the dispatch
“ and Management of the Affairs and Business of the Corporation, and to hold
“ Courts of Directors for the Purposes aforesaid, and to summon General
“ Courts to meet as often as they see Cause.

“ And the said Governor, Deputy-Governor and Directors, or the
“ major Part of them, so assembled, shall act according to such Bye-Laws,
“ Constitutions, Orders, Rules and Directions, as shall from Time to Time
“ be made and given to them by the General Courts of the said Corporation.

G

“ And

“ And where such Bye-Laws and Directions, by or from the General
 “ Court, shall be wanting, the said Governor, Deputy-Governor and Di-
 “ rectors, or the major Part of them, so assembled, shall and may direct and
 “ manage all the Affairs and Business of the said Corporation; *or the borrow-*
 “ *ing and receiving of Monies, and in giving Security for the same; and in their*
 “ *dealing in Bills of Exchange, or the buying or selling of Bullion, Gold, or*
 “ *Silver; or in selling any Goods, Wares and Merchandise whatsoever, which*
 “ *shall really, and bona fide, be left or deposited with the said Corporation, for*
 “ *Money lent or advanced thereon, and which shall not be redeemed at the Time*
 “ *agreed on; or in selling such Goods as may be the produce of the Lands pur-*
 “ *chased by the said Corporation; or in lending or advancing any of the Monies*
 “ *of the said Corporation, and taking Pawns, or other Securities, for the same*;*
 “ and to choose and appoint the Agents or Servants, which shall from Time
 “ to Time be necessary to be employed in the Affairs and Business of the Cor-
 “ poration, and to allow and pay them reasonable Salaries and Allowances;
 “ and generally to act and do, in all Matters and Things whatsoever, what by
 “ the said recited Act of Parliament, is permitted or may be done.”

The Court of Directors have not the Power “ to purchase any Lands or
 “ Revenues belonging to the Crown, or to advance or lend to His Majesty
 “ any Sum or Sums of Money, by Loan or Anticipation on any Branch or
 “ Fund of the Revenue, other than such Fund or Branch on which a Credit
 “ of Loan is or shall be granted by Act of Parliament.”

It is the Duty of the Court of Directors to call General Courts of the
 Proprietors twice a Year, “ for considering the State and Condition of the
 “ Company, and for making Dividends of all the Profits.”

It is the Duty of the Court of Directors to lay before the General Court,
 all such Accounts and Papers as may enable the Court to judge of the
 Condition of the Company, and to declare the Dividend the Law directs.

It is the Duty of the Governor, Deputy-Governor and Court of Directors,
 if the General Court should refuse to make any Dividend, or should only
 declare a partial Dividend of the Profits, to have the Acts of Parliament re-

* In short, the dealings of the Company are restrained to discounting Bills of Exchange, to buying
 and selling Bullion and unredeemed Pledges.

lative to Dividends read in General Court, and to explain to the Proprietors their legal import, to declare that they cannot, with any regard to their own Characters, preside in an Assembly that will not be governed by the Laws; and that they will do every Thing in their Power to make the Laws to be respected and obeyed.

It is the Duty of the Court of Directors to regulate and controul the Charges of Management, and to suffer no Charge to be made to that Account, but what comes strictly under that Head.

The Court of Directors are under many salutary Restraints: among the rest, they are not to expend *any* of the Money of the Company, but in discounting Bills of Exchange, buying Bullion, and paying the *necessary* Charges of Management.

It is the Duty of the Court of Directors to answer every pertinent Question put to them by any of their Constituents in General Court respecting the Affairs of the Company.

THE GENERAL COURT OF PROPRIETORS

Have the power, by a Majority of Votes of the Proprietors, each holding £500, or more Bank-Stock, to make and constitute such Bye-Laws and Ordinances for and relating to the Affairs and Government of the Company, as to them shall seem meet, so that such Bye-Laws be not repugnant to the Laws of the Kingdom, and be confirmed and approved according to the Statutes in that case made and provided.

General Courts of Proprietors are to be called and held twice a Year, for the Purpose “ of considering the State and Condition of the Company, “ and for making Dividends of all the Profits among the Proprietors for the “ Time being, in Proportion to their Share of Stock.”

It is the Duty of the Court of Proprietors, to call upon the Court of Directors for a Production of all such Accounts and Documents as may enable them to judge of the State and Condition of the Company; and also for a Production of the Accounts of the Profits and Charges of Management for the Half-year preceding the Day of holding the General Court, to enable them to declare that just Dividend which by Law they are required to do.

As

As it may be inconvenient for the Proprietors to enter into an Examination and Investigation of their Accounts in the General Court, by the First Bye-Law, they are empowered to elect Committees, to whom they may delegate their Powers, who may report to the General Court, which any Nine Proprietors, holding £500 or more Bank-Stock, may require the Governor to call and hold on any subsequent Day; and in Default of his calling the same, they may call and hold the said Court themselves.

Any Nine Proprietors holding £500 or more Bank-Stock, may, at any Time, require the Governor to call a General Court; or, in default of his calling it, may call it themselves; which Court may do and dispatch any Business relating to the Government or Affairs of the Company, and to hear and debate any Complaint that shall be made against the Governor, Deputy-Governor, or Directors for the mismanagement of his or their respective Offices.

And if the Governor, Deputy-Governor, or Directors, shall not clear him or themselves of such Complaint to the Satisfaction of the major Part of the Members of the Corporation, in the said General Court assembled, that then, within ten Days another General Court shall be held, finally to determine the same by a Majority of Votes, who may remove or displace all or any of the Governor, Deputy-Governor and Directors, and elect and choose others in his or their rooms.

The Proprietors in General Court have no Power to direct the Payment or Application of any Money belonging to the Bank, to any other Purpose whatsoever, but to the making of Dividends.

They have a Right to scrutinize into the Expenditure of the Court of Directors, and to controul the same, and to take Care that none of the Profits of the Company are applied to any other Purpose than to the making Dividends, and to what may come strictly under the Head of Charges of Management.

By the Charter, Four General Courts *at the least* are to be called and held in every Year. It is the Duty of the General Court to take care that timely Notice shall be given of the Days appointed for the holding the said Courts in the Public Newspapers, at least Ten Days prior to the holding the said Courts, that the Proprietors may have an Opportunity of attending to their Interest at the said Courts. This requires only a Recommendation from
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tative to Dividends read in General Court, and to explain to the Proprietors their legal import, to declare that they cannot, with any regard to their own Characters, preside in an Assembly that will not be governed by the Laws; and that they will do every Thing in their Power to make the Laws to be respected and obeyed.

It is the Duty of the Court of Directors to regulate and controul the Charges of Management, and to suffer no Charge to be made to that Account, but what comes strictly under that Head.

The Court of Directors are under many salutary Restraints: among the rest, they are not to expend *any* of the Money of the Company, but in discounting Bills of Exchange, buying Bullion, and paying the *necessary* Charges of Management.

It is the Duty of the Court of Directors to answer every pertinent Question put to them by any of their Constituents in General Court respecting the Affairs of the Company.

THE GENERAL COURT OF PROPRIETORS

Have the power, by a Majority of Votes of the Proprietors, each holding £500, or more Bank-Stock, to make and constitute such Bye-Laws and Ordinances for and relating to the Affairs and Government of the Company, as to them shall seem meet, so that such Bye-Laws be not repugnant to the Laws of the Kingdom, and be confirmed and approved according to the Statutes in that case made and provided.

General Courts of Proprietors are to be called and held twice a Year, for the Purpose “ of considering the State and Condition of the Company, “ and for making Dividends of all the Profits among the Proprietors for the “ Time being, in Proportion to their Share of Stock.”

It is the Duty of the Court of Proprietors, to call upon the Court of Directors for a Production of all such Accounts and Documents as may enable them to judge of the State and Condition of the Company; and also for a Production of the Accounts of the Profits and Charges of Management for the Half-year preceding the Day of holding the General Court, to enable them to declare that just Dividend which by Law they are required to do.

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the General Court to the Court of Directors. Indeed, the Matter is so reasonable in itself, that the Suggestion of any single Proprietor should be sufficient.

OF THE PROPRIETORS INDIVIDUALLY.

It is the Duty of every Proprietor “ to be faithful to the Governor and
“ Company of the Bank of England, and in all General Courts, when and
“ as often as he shall be present, according to the best of his Skill and Un-
“ derstanding, to give his Advice, Counsel and Assistance for the Support
“ and good Government of the said Corporation.”

It is his Duty, whenever he thinks Advice, Counsel and Assistance necessary, to join with any other Eight Proprietors, in requiring the Governor to call a General Court; and if the Governor refuses, to call and hold the said Court themselves.

It is his Duty, whenever he thinks it necessary, to join with any other Eight Proprietors in General Court, or at any Election of Governor, Deputy-Governor or Directors, to exact the Oaths prescribed by the Charter to be taken by the Governor, Deputy-Governor, Directors and Proprietors individually, the taking of such Oaths been by Law dispensed with, unless required by Nine Proprietors, each holding £500 or more Bank-Stock.

It is the Duty of every Proprietor to promote the good of the Company by all lawful Ways and Means, and with all his Power to enforce an Obedience to the Laws relative to the Bank.

It is the Duty of every Proprietor to suggest any Measure which he thinks may promote the Interest of the Bank*.

THE END.

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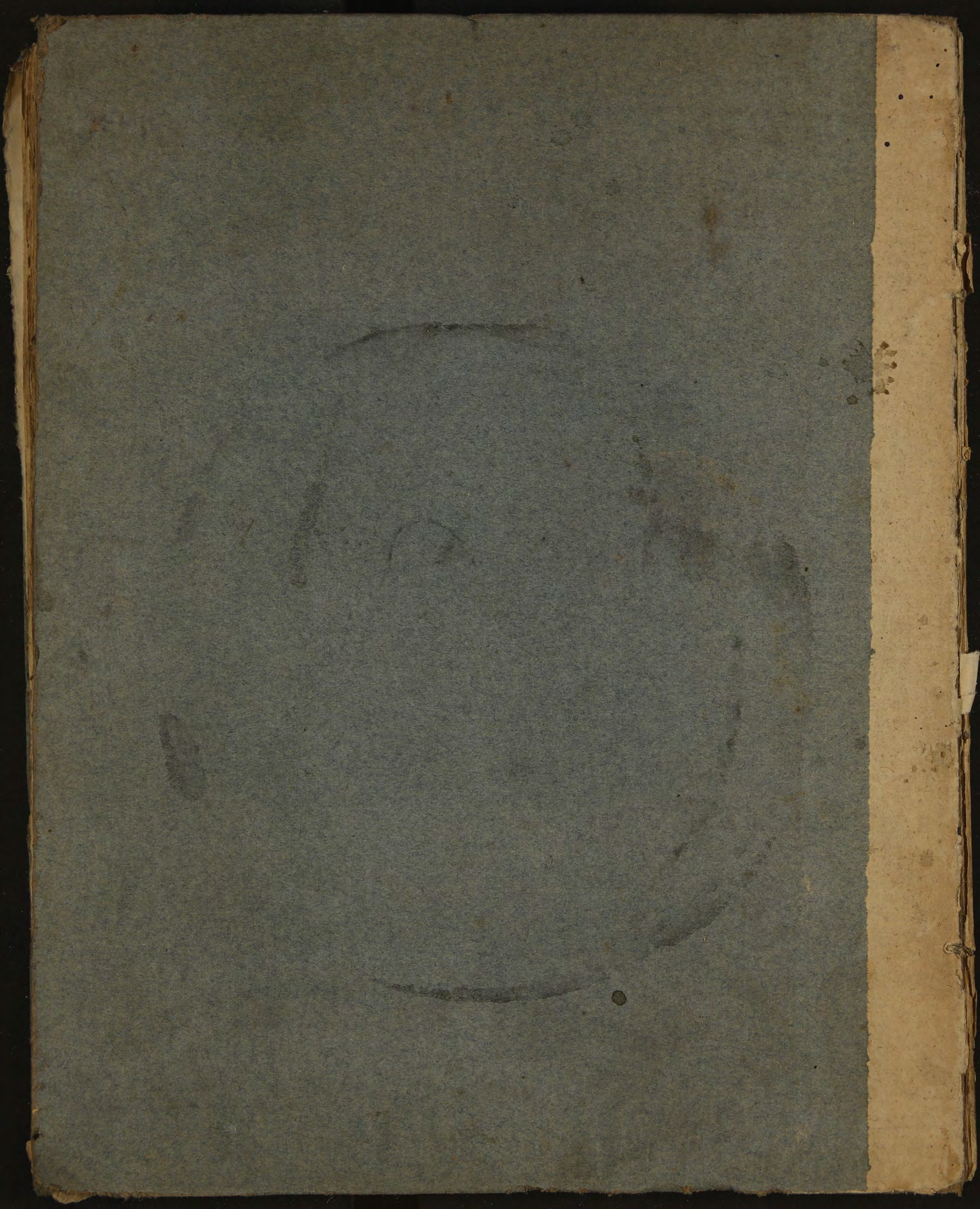
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